

	Management System	Document No. Revision: Page:	BDSF 004 00 Page 1 of 21
Description:	Standard Terms and Conditions	Prepared By: Approved By: Revised Date:	V MacAulay B Bannerman 19 Feb. 20

(That is not being conducted under an approved pre-existing contract between Customer and Paradigm (all terms as hereinafter defined))

WHEREAS:

Paradigm shall sell, and Customer shall purchase Equipment ordered by Customer on the following terms and conditions of sale set out in Section 2 ("**Terms and Conditions of Sale**") and the common terms and conditions set out in Section 1 (the "**Common Terms**") only.

Equipment and Services rented, leased or otherwise provided to Customer by Paradigm shall be rented, leased or otherwise provided on the following terms and conditions of rental and service set out in Section 3 ("**Terms and Conditions of Rental and Service**") and the Common Terms only.

Remedial Tools supplied to Customer by Paradigm shall be rented on the following terms and conditions of rental set out in Section 4 ("**Remedial Tool Rental Terms**") and the Common Terms only.

The Common Terms and Terms and Conditions of Sale, Terms and Conditions of Rental and Service and Remedial Tool Rental Terms are herein referred to, individually and collectively, as the "**Terms and Conditions**".

SECTION 1

COMMON TERMS

The following common terms and conditions are hereby incorporated into the Terms and Conditions of Sale (Section 2), Terms and Conditions of Rental and Service (Section 3 hereof) and Remedial Tool Rental Terms (Section 4 hereof).

1. DEFINITIONS

- 1.1 The definitions set forth below shall apply to the applicable Terms and Conditions:

"Affiliated Company" or **"Affiliate"** means any subsidiary undertaking or parent undertaking and any subsidiary undertaking of any such parent or subsidiary undertaking;

"Claims" means all claims and causes of action of whatever nature, demands of any kind including legal fees, court costs and expenses, consequential, direct or indirect losses or damage, demands, fines, liabilities, penalties or proceedings;

"Consequential Damages" means any consequential or indirect loss arising from the Customer's participation in this Contract and shall include, but not be limited to, loss of production, loss of revenue, loss of profits or anticipated profits, loss of business or business opportunity, damages of any kind for failure to meet deadline, loss of use, rig down-time expenses, well control expenses, sub-surface damage of any kind, surface damage of any kind, loss of hole, re-drilling expenses, reservoir or formation loss or damage, pollution damage and/or wreck or debris removal expenses;

"Contract" means the contract between Paradigm and the Customer incorporating these Terms and Conditions;

"Customer" means the party which pays for, or orders and/or on whose behalf Equipment and/or Services are supplied, sold, rented, leased or otherwise provided to by Paradigm;

"Day" means a calendar day starting from 00:00 hrs to 24:00 hrs Local Time;

"Equipment" means all machinery, materials, merchandise, products, supplies, tools (down-hole, surface or other physical item), and parts thereof that are supplied, sold, rented, leased or otherwise provided by Paradigm, and/or provided in connection with Services performed by Paradigm;

"Force Majeure" means any act or event including but not limited to blockades, embargos, riots, strikes, lockouts, labour and civil disturbances, acts of god, storms, fire, flood, earthquakes, unavoidable accidents, sabotage, terrorism, insurrections, acts of war (declared or undeclared), acts of any governmental or military agency acting under actual or assumed authority or

any cause or events or circumstances beyond the control of either Party, whether or not similar to the acts or events listed herein;

"Good Oil and Gas Field Practices" means the standards of quality, safety and overall efficiency used by an experienced contractor when carrying out their activities under contract to or otherwise on behalf of a reputable international oil operator company;

"Harmful Waste" means any injurious, poisonous, toxic or noxious substance and, in particular, includes nuclear waste emitting any radioactive substance if the waste is in such quantity, whether with any other consignment of the same or of different substance, as to subject any person to the risk of death, fatal injury or incurable impairment of physical or mental health;

"Operating Day Rental Price" means a price per calendar day or part thereof chargeable for the period that Tools or Equipment is (a) made up in the drill string or (b) if applicable to the type of Tools or Equipment, in use on surface at Work Site;

"Paradigm" means Paradigm Drilling Services Limited, a company incorporated in Scotland with registered number SC358773 and having its registered office at Camiestone Road, Thainstone, Inverurie, Aberdeen AB51 5GT;

"Paradigm Personnel" means personnel working in the organisation of, or an Affiliate of, Paradigm, its and their subcontractors or agents or any other person engaged by Paradigm to carry out any work;

"Paradigm's Authorised Representative" means one of Paradigm's Personnel, but in this instance not a person working in the organisation of its subcontractor or agent, to be designated by Paradigm who has the authority to act on behalf of Paradigm in all matters concerning the Services or Work. For the avoidance of doubt, it is expressly acknowledged and accepted by Customer that Paradigm's Authorised Representative shall not have the authority to agree to any amendment or variation of any of the terms or provisions of this Contract that increases its liabilities under this Contract, those powers being solely reserved to the Board of Directors of Paradigm;

"Party or Parties" means either Customer or Paradigm individually or Customer and Paradigm collectively as the context requires;

"Price List" means a document approved and issued by Paradigm that enumerates the pricing or method of calculating the price for the supply, sale, rental, lease or other provision of Equipment or Services by Paradigm to Customer;

"Quotation" means a commercial offer to supply, sell, rent, lease or otherwise provide Equipment or Services by Paradigm to Customer;

"Remedial Tools" means any rented tools that Paradigm may be required to supply to Customer to complete any shortfall which are supplied by Paradigm to Customer pursuant a rental agreement between Paradigm and a 3rd party;

"Service or Services or Work" means all operations to be performed by Paradigm, Paradigm Personnel, subcontractors, or agents, including Equipment supplied by Paradigm pursuant to the Contract;

"Special Tools" means Tools or Equipment not considered, in the sole judgment of Paradigm, to be normally stocked Tools or Equipment;

"Standby Rental Price or Standby Rental Charges or Standby Charges" means a price per calendar day or part thereof chargeable for the period that Tools or Equipment is (a) not made up in the drill string or (b) is in transit between Paradigm service centre and Work Site or (c) is specifically held for Customer use at Paradigm service centre;

"Tool(s)" means Equipment;

and

"Work Site" means the lands, waters and other places on, under, in or through which the Work is to be performed including offshore installations, onshore installations, construction equipment, and places where Equipment, Tools, materials or supplies are being obtained, stored or used for the purposes of the Contract.

- 1.2 Unless the context otherwise requires, the singular shall include the plural and the plural the singular, and words importing persons shall include their respective firms and corporations.

2. **GENERAL**

- 2.1 The Terms and Conditions shall apply to the exclusion of any documentation or terms and conditions which the Customer may have submitted to Paradigm, with respect to the transactions contemplated by these Terms and Conditions including without limitation any terms and conditions on any purchase order issued by the Customer (whether before or after the date hereof) unless such terms and conditions are contained in the Quotation or have been expressly accepted in writing by Paradigm, in which case they shall apply.
- 2.2 There are no representations, warranties, terms, conditions, undertakings or understandings, express or implied, made by or discussed/agreed between Customer and Paradigm other than those expressly set forth in these Terms and Conditions.
- 2.3 These Terms and Conditions may not be amended or modified in any respect except as agreed in writing by Paradigm's Authorised Representative.

- 2.4 Headings are for ease of reference only and do not affect the interpretation or construction of these Terms and Conditions.

3. **OBJECTION NOTICE AND PREVAILING RIGHTS**

All sales, rental or other provision of Equipment or Services to Customer is made on these Terms and Conditions only, notwithstanding different or conflicting terms and conditions contained within any of Customer's documentation (whether issued before or after these Terms and Conditions) which are hereby objected to and which will not be accepted as being binding upon Paradigm. In the event of a conflict between these Terms and Conditions and the provisions of any of Customer's printed or electronic form of purchase orders, work or service orders, job or delivery tickets, the Customer, by requesting the provision of Equipment, Tools or Services expressly agrees that the provisions of these Terms and Conditions shall prevail.

4. **NON-WAIVER**

None of the Terms and Conditions of this Contract shall be considered to be waived by Paradigm unless a waiver is given in writing by Paradigm's Authorised Representative. No failure by either Customer or Paradigm to enforce any provision of these Terms and Conditions shall be deemed to constitute a waiver or preclude subsequent enforcement thereof.

5. **INVALIDITY AND SEVERABILITY**

If any provision of these Terms and Conditions shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the invalidity or non-enforceability of such provision shall not affect the other provisions of these Terms and Conditions and all provisions not affected by such invalidity or non-enforceability shall remain in full force and effect.

6. **JURISDICTION**

The Contract will be governed by the laws of Scotland and the Parties submit to the non-exclusive jurisdiction of the Scottish Courts.

7. **PAYMENT TERMS**

- 7.1 Standard payment terms are net 30 days.

- 7.2 All payments, unless otherwise specified on the face of the invoice, shall be made in the currency of the Quotation without any deductions or set off. If no currency is specified then it shall be considered to be Pounds Sterling.

- 7.3 All currency exchange rate changes, duties, taxes, and such like costs, not specifically included in the Quotation or the face of the invoice shall be paid by Customer.

- 7.4 In the event of late payment of correctly prepared and supported invoices relative to the terms specified in any Purchase Order or the Contract, interest

will be payable, calculated on a daily basis from the due date for payment until actual payment is remitted and confirmed as received, on the amount due to Paradigm Drilling Services Limited at the then current "Base Rate" or equivalent of the national bank of the country of the Area of Operations plus two and a half per cent (2.5%).

- 7.5 Customer agrees to pay all of Paradigm's costs including (but not limited to) legal fees and court costs incurred in the collection of debts due from Customer.

8. **CONSEQUENTIAL DAMAGES**

Paradigm shall not be responsible for, nor shall it bear any liability for incidental, indirect or Consequential Damages of any kind on any grounds (whether breach of contract or breach of statutory duty or negligence or otherwise) arising out of or connected with the performance or non-performance of the Contract or the operation or use of the Equipment by any person, including without limitation the Customer. This clause shall not apply to any liability in respect of which Paradigm cannot by law exclude or limit its liability. This clause shall survive the termination of the Contract for any reason.

9. **FORCE MAJEURE**

- 9.1 Paradigm shall not be liable for any failure to perform its obligations where such failure or non-compliance is caused by an event of Force Majeure or any other occurrence beyond the reasonable control of Paradigm.
- 9.2 In the event that Paradigm is affected by Force Majeure or any such other occurrence the time for performance of its obligations will be automatically extended by the time equal to the length of the Force Majeure or such other occurrence.

10. **NO WARRANTIES**

- 10.1 No warranty is given with respect to any information, Equipment, Tools or Services provided by Paradigm save where expressly stated in the Terms and Conditions.
- 10.2 The Customer accepts that any assistance provided by Paradigm, by way of technical or engineering information and/or the supply of Equipment, Tools or Services is advisory only and Paradigm shall not be liable for any claims arising from Customer use of such advisory information, Equipment, Tools or Services, except as otherwise specifically provided herein.

11. **NO GUARANTEE OF PROVISION OF EQUIPMENT OR SERVICES**

Even though a price may be listed for Equipment, Tools or provision of Service, Paradigm does not guarantee that such Equipment, Tools or Service will

actually be available in any or all of Paradigm's service centres or other physical locations.

12. **TAXES, WITHHOLDINGS AND OTHER DEDUCTIBLES OR IMPOSITIONS**

All prices, rates, day-rates and other elements of chargeable value are exclusive of customs fees, import duties, and any and all taxes, duties or levies of whatever kind (including but not limited to withholding taxes, sales tax, and excise duties), and Customer shall be responsible for the payment thereof.

13. **CHANGE**

All Terms and Conditions, prices, rates, day-rates and other elements of chargeable value are subject to change by Paradigm on notice being given to Customer.

14. **SET-OFF**

The Customer shall not be entitled under any circumstances whatsoever to set-off or counter-claim against or deduct, discount or withhold from any sum from time to time due by it to Paradigm any sums due by Paradigm to the Customer and the Price or other sums due by the Customer shall be paid by the Customer to Paradigm without deduction, compensation, set-off or similar whatsoever.

15. **INSURANCE**

Customer and Paradigm agree that each shall maintain suitable insurance, or be self-insuring, to a level sufficient to meet their liabilities under any transaction contemplated by these Terms and Conditions.

16. **TERMINATION**

Termination of this Contract shall not relieve Customer of any liability (including liability for payment) incurred prior to termination, and upon such termination Customer shall settle such liabilities and immediately return any rental Equipment or Tools in their possession to Paradigm.

17. **SUSPENSION**

If the Customer fails to make payment of any sum due under the Contract on the due date, Paradigm shall be entitled but not bound (in addition and without prejudice to all other claims, rights or remedies which Paradigm may have against the Customer) to withhold performance of its obligations under the Contract without liability to the Customer pending such payment.

18. **EARLY TERMINATION**

If:

- 18.1 the Customer fails to make any payment due by it to Paradigm under the Contract on the due date or breaches any other obligation under the Contract; or
- 18.2 the Customer passes a resolution to have itself wound up or a petition is presented for the winding-up of the Customer or a winding-up order is made in respect of the Customer or a provisional liquidator, interim liquidator or liquidator is appointed to the Customer; or
- 18.3 any steps are taken to put the Customer in administration pursuant to Schedule B1 of the Insolvency Act 1986 or an administrator is appointed to the Customer; or
- 18.4 a judicial factor is appointed to the Customer or a receiver is appointed over all or any part of its assets; or
- 18.5 the Customer is sequestrated or grants a trust deed for behoof of its creditors or makes or seeks to make any arrangement or compromise with its creditors generally; or
- 18.6 the Customer is subject to any formal or informal insolvency proceedings under any jurisdiction or anything analogous to any of the matters referred to in clauses 18.2 to 18.5 happens in relation to the Customer in any jurisdiction; or
- 18.7 the Customer becomes in the reasonable opinion of Paradigm unable to pay its debts as they fall due or properly fulfil its obligations under the Contract or ceases or threatens to cease carrying on business;

Paradigm shall be entitled but not bound to terminate the Contract with immediate effect and without liability to the Customer by giving written notice to that effect to the Customer and such termination shall be in addition to and without prejudice to other claims, rights and remedies which Paradigm may have against the Customer in relation to the Contract or for any breach of contract.

19. **INDEMNITY**

Customer will defend, indemnify, release and hold Paradigm (and any other person, real or corporate, for which Paradigm may be responsible in law) harmless from and against all and any Claims by Customer, or any other person or entity, against Paradigm of every kind or character whatsoever arising out of delivery, pick-up, repair, use or operation of Equipment or Tool or relating to termination of the Contract or arising in connection with bodily injury or death or property damage, destruction or economic loss including but not limited to release of radioactive materials, Harmful Waste contamination or damage to reservoirs, formation, sub-surface property or property rights because of lease, rental, purchase, delivery, installation, possession, operation, use, condition of or return of Equipment or Tool, whether by Paradigm, Customer or any other person or entity, irrespective of

whether Paradigm may be alleged or proven to have been liable but excepting where the damage or death was caused by the sole gross negligence of Paradigm.

20. RADIOACTIVE MATERIAL RELEASE

Where Customer has requested Paradigm to perform certain services which may involve wells where there may have been a radioactive release or tools lodged containing a radioactive source, Customer shall defend, indemnify, release and hold Paradigm harmless from and against all and any Claims arising directly or indirectly out of or as a consequence of Paradigm's performance of the services for:

- 20.1 the death, injury, or illness of any persons; and
- 20.2 the loss or destruction of, or damage to, any equipment or property, that may result from the release of radioactive material, whether or not caused or contributed to by any negligence of Paradigm, in whole or part, while performing services on the well.
- 20.3 Customer warrants that the owner of the radioactive isotope and a representative authorised and licensed by the appropriate governmental authority to handle radioactive isotopes shall:
 - 20.3.1 operate a monitoring device on the rig floor to detect the presence of any radioactivity in the well fluid or mud prior to the radioactive isotope reaching the surface;
 - 20.3.2 take possession of and handle the radioactive isotope once it reaches the surface, remove the radioactive isotope from Paradigm's Equipment or Tool; and
 - 20.3.3 monitor and test Paradigm's Equipment, Tool, or Personnel and the Work Site for the presence of any radioactive contamination.
- 20.4 In the event any of Paradigm's Equipment or Tool is unusable due to contamination the Customer shall replace the Equipment or Tool with new Equipment of the same or better standard and be responsible for the disposal of the contaminated Equipment or Tool. Customer shall be liable for rental charges until the Equipment or Tool is replaced or returned to Paradigm in usable condition.
- 20.5 Equipment or Tool returned from rental displaying any evidence of H₂S or CO₂ contamination, e.g. material discolouration, internal or external pitting, sulphide embrittlement, Sulphide Stress Cracking, corrosion etc. will be considered damaged beyond repair and shall be charged to Customer at the current list price of new such Equipment or Tool. No damages or charges of any kind incurred by Customer in attempting to repair or replace defective Equipment or Tool or occasioned by defective Equipment or Tool will be allowed as a deduction from such charges to Customer.

21. **INTELLECTUAL PROPERTY**

- 21.1 All patent rights, copyrights, trademarks, design rights, database rights or other intellectual or industrial or proprietary rights of whatever nature (in any part of the world) and all rights to apply for any of the foregoing, in all inventions, designs, drawings, logos, equipment, knowhow, data or other materials (of whatever nature) created or generated by or on behalf of Paradigm whether solely or jointly with the Customer in the course of or otherwise in connection with the performance of the Contract (the "**IPR**") shall vest in Paradigm.
- 21.2 The Customer hereby assigns and, insofar as it is not competent for the Customer currently to assign, hereby undertakes and agrees to assign, any and all such IPR to Paradigm. The Customer shall promptly do all such things as Paradigm may require and execute all documentation on such terms as Paradigm may require in order to enable Paradigm or its nominee to obtain, defend and enforce such IPR.
- 21.3 The Customer hereby waives any and all moral rights (and/or equivalent or similar rights the Customer may have in any jurisdiction insofar as it is competent for the Customer to do so) in the IPR.
- 21.4 The Customer shall not (and shall procure that its officers, employees and contractors shall not) do or omit to do any act or thing which constitutes an infringement of any patent rights, copyrights, trade marks, design rights or other intellectual, industrial or proprietary rights (in any part of the world) vested in Paradigm or any such right which is vested in any third party and licensed to Paradigm.
- 21.5 Notwithstanding Clause 21.2 above, the Customer hereby appoints Paradigm as the Customer's attorney in the Customer's name and on the Customer's behalf to execute and deliver any instrument or thing and generally to use the Customer's name for the purpose of giving to Paradigm the full benefit of the provisions of this Clause 21 but for no other purpose whatsoever.
- 21.6 This clause shall survive the termination of the Contract for any reason.

22. **ASSIGNATION**

The Customer shall not be entitled to assign its rights and obligations under the Contract (or sub-contract its performance of the Contract) without the prior written consent of Paradigm. Paradigm may assign its rights and obligations under the Contract or sub-contract the performance of its obligations under the Contract.

23. **CONFIDENTIAL INFORMATION**

The Customer shall not (and shall procure that its officers, employees and contractors shall not) disclose any information of a confidential or commercially sensitive nature relating to Paradigm or its subsidiaries or customers of Paradigm or its subsidiaries or their respective businesses,

technology or other affairs to any third party (or any officer or employee or contractor of the Customer except to the extent that such officer or employee or contractor requires knowledge of the same for the proper performance of the Contract) or use any such information for any purpose other than the proper performance of the Contract. The Customer shall, if so required by Paradigm at any time, promptly return to Paradigm all copies of any such information which may be in the Customer's or its officers' or employees' or contractors' possession or under their control. This clause shall not apply to information which is, or becomes through no fault of the Customer, its officers' or employees' or contractors' part of the public domain or to any disclosure which the Customer is required by law to make. This clause shall survive the termination of the Contract for any reason.

SECTION 2

TERMS AND CONDITIONS OF SALE

1. PARADIGM DESIGN, BUILD AND MODIFICATIONS

Where any piece of Equipment or Tool is designed by Paradigm, Paradigm reserves the right to modify the design, method of build and/or the process for modification of any or all Equipment or Tool sold by it without notice, and without incurring any obligation or liability to provide any Equipment or Tool with such changed design or build or modification to Equipment or Tool previously sold.

2. CUSTOMER'S DESIGN, BUILD AND MODIFICATIONS

Where Paradigm builds and/or modifies Equipment in accordance with Customer's drawings, plans, specifications or other information, Customer will defend, indemnify, release and hold harmless Paradigm and Paradigm's Affiliates from and against any and all claims by Customer or any other natural or corporate person, such claims including but not limited to claims for direct or indirect, special and/or Consequential Damages, loss of or damage to property at surface or sub-surface, destruction or economic loss of any kind including property rights, infringement of any patent, design copyright or trade name or mark, or other intellectual property right, death, injury or incapacitation arising, directly or indirectly, or in any manner connected with such Equipment,

3. LIMITED WARRANTY

Paradigm warrants that Equipment or Tools designed and built by it is substantially free from defect for a period of one calendar year from the date of purchase provided always:

- 3.1 that Customer operates the Equipment or Tools within the design characteristics and conditions specific to the Equipment or Tools; and
- 3.2 the Customer operates the Equipment or Tools in accordance with Paradigm's written operating instructions (if any) supplied to the Customer; and
- 3.3 the warranty does not apply to Equipment or Tools that have been repaired or otherwise worked upon by the Customer; and
- 3.4 the warranty does not apply to Equipment or Tools that have been modified or subjected to improper operation/maintenance/handling/storage/installation or replacement with non-Paradigm approved spare parts; and
- 3.5 the warranty does not apply to models or samples supplied to Customer by Paradigm as illustrations or examples of general properties of Equipment or Tools and;

- 3.6 the warranty does not apply to Equipment or Tools built by Paradigm from designs or plans provided by third parties or the Customer;
- 3.7 Paradigm's liability for breach of this warranty shall be expressly limited to the repair or replacement, at its sole discretion, of any Equipment or Tools or parts of Equipment or Tools which prove to be defective during the period of warranty and that Paradigm's liability to repair or replace constitutes agreed compensation for any breach of this warranty and the stated remedies for breach of warranty shall be in lieu of any and all other warranties, express or implied, including without limitation warranties for satisfactory condition, merchantability, or fitness for any particular purpose; and
- 3.8 All claims relating to defective Equipment or Tool must be given in writing to Paradigm within 10 days of discovery of the defect, failing which such claim shall not be valid. The Customer or user of the Equipment or Tool must keep the Equipment or Tool in an unaltered condition for examination by Paradigm. No claim in respect of defective Equipment or Tool may be made after the expiry of one year and 10 days from the date of delivery of the Equipment or Tool.

4. **RETURNS**

- 4.1 No Equipment or Tools purchased from Paradigm may be returned for credit unless expressly agreed to in writing beforehand by Paradigm's Authorised Representative and providing always that the Equipment or Tool is unused, in substantially new condition and considered by Paradigm to be normally stocked Equipment or Tool.
- 4.2 A restocking fee plus freight, if applicable, will be quoted by Paradigm. Paradigm will give its written consent only when such restocking charges have been agreed by Customer.
- 4.3 No Equipment or Tool or material will be accepted for return after 60 days after the date of purchase, except pursuant to a valid warranty claim under clause 3.

5. **CANCELLATION/CHANGES**

- 5.1 A cancellation of any order already placed by Customer and accepted by Paradigm can only be made with Paradigm's Authorised Representative's written consent (which consent shall be given or withheld at Paradigm's Authorised Representative's sole discretion). Any cancellation will incur a cancellation charge (of such amount as Paradigm may determine) which will be notified in writing to Customer by Paradigm and which may be equal to or greater than any deposit paid by Customer. Only upon acceptance and payment of the cancellation charge will Paradigm give its written consent.
- 5.2 Changes to orders placed and accepted can be changed only with Paradigm's Authorised Representative's written consent (which consent shall be given or withheld at Paradigm's Authorised Representative's sole discretion). All

changes accepted by Paradigm will incur a "cost-of-change" charge (of such amount as Paradigm may determine) which will be notified in writing to Customer by Paradigm and may be equal to or greater than any deposit paid by Customer. Only upon acceptance and payment of the "cost-of-change" charge will Paradigm give its written consent. Paradigm reserves the right to change the design and build of Equipment and Tools without notice but such change shall not entitle Customer to cancel or change any order already placed without cost.

6. QUOTATIONS AND PRICES

- 6.1 Quotations are valid for 30 Days from date of Quotation and their validity may be extended only at Paradigm's sole option.
- 6.2 All Quotations, unless specifically stating otherwise, are made on a F.O.B. (as defined in the Incoterms 2000) basis from Paradigm's designated manufacturing point or the appropriate Paradigm service centre depending upon the location from which the Equipment or Tool is being shipped.
- 6.3 All Quotations are in the currency stated in the quote, and failing such statement, must be considered to be in Pounds Sterling.
- 6.4 Prices for standard Equipment and/or Tools shall be the prices shown on Paradigm's applicable price list or on the Quotation. Requests for quotes for non-standard Equipment or Tools should be sent to the appropriate Paradigm office.
- 6.5 Prices are based on Paradigm's standard procedures and any additional requirement requested by Customer shall be charged at Paradigm's cost plus a 15% mark-up. An invoice for the agreed price(s) shall be issued upon delivery.
- 6.6 All prices appearing in any Quotation given by Paradigm or as otherwise agreed by Paradigm are subject to change by Paradigm by it giving of at least 30 days notice to Customer. Without prejudice to the foregoing generality, Paradigm may vary any prices quoted or agreed by such reasonable amount as Paradigm may determine by giving notice to that effect to Customer (if unexpected or abnormal conditions are encountered).

7. FREIGHT AND SHIPMENT

Customer shall arrange, be responsible and pay for, freight and shipment of Equipment or Tools which has been notified to Customer as being available for collection. If Customer requires Paradigm to arrange shipment, Paradigm shall arrange shipment in a reasonable manner, at Customer's risk, and Paradigm shall charge Customer at Paradigm's cost plus a 15% mark up.

8. **DELIVERY**

- 8.1 Paradigm will use reasonable efforts to have Equipment or Tools ready for collection or shipment by the date agreed between the Parties, provided always that Paradigm has received all of the required and necessary Customer information, including but not limited to, approval of quotes, drawings, amendments, changes, or prices.
- 8.2 It is hereby agreed between Customer and Paradigm that Paradigm shall have no liability for Claims, damages or costs incurred as a result of its late delivery of Equipment or Tools regardless of cause.
- 8.3 Delivery will be deemed to have taken place when the Customer is notified by Paradigm that Equipment or Tool is ready and available for collection or shipment.

9. **TITLE AND RISK OF LOSS**

- 9.1 Title to Equipment or Tools will pass to Customer upon payment by Customer to Paradigm of the price and value added tax due in respect of the Equipment or Tools and all other sums for the time being due by the Customer to Paradigm.
- 9.2 Risk of loss will pass to Customer upon delivery of Equipment or Tool F.O.B. Paradigm's location from which the Equipment or Tool is to be shipped.
- 9.3 If Paradigm has not received shipping instructions at time of delivery or if Customer requests that Paradigm store the Equipment or Tool until further instruction, Paradigm shall have the right to charge Customer storage charges.
- 9.4 During any period of such storage Customer must maintain all-risk property insurance on Equipment or Tool at its replacement value, or be self-insuring for same, and Paradigm will not be responsible or liable for any loss or damage to, or deterioration of, Equipment or Tool resulting from weather conditions, theft, physical damage howsoever caused or other causes whatsoever.

SECTION 3

TERMS & CONDITIONS OF RENTAL AND SERVICE

1. GENERAL WARRANTY LIMITATION

- 1.1 Paradigm shall use its best efforts to ensure all Personnel provided or performing the Services are competent and that Equipment or Tool is in operable condition. Paradigm Personnel will attempt to accomplish the work requested however because of the nature of the work to be accomplished such results cannot be and are not guaranteed or warranted by Paradigm. Paradigm reserves the right not to perform or attempt to perform the work if in its considered opinion Work Site or operational conditions make such attempt unsafe or contrary to Good Oil and Gas Field Industry practice.
- 1.2 Customer will pay Paradigm, at the rates listed in the applicable Price List (or Quotation accepted by Customer), for the Equipment, Tool and/or Services, whether or not the desired results have been accomplished, without deduction or offset of any kind irrespective of any Claims which Customer may assert against Paradigm or any manufacturer and/or supplier of the Equipment or Tool and/or Services. All rates and/or charges for Equipment, Tools and/or Services are subject to change by Paradigm on notice being given to the Customer and the Customer will be invoiced at the rental or Service rates in effect at the beginning of the invoice period.
- 1.3 Customer agrees and accepts that Paradigm Personnel shall not be responsible for the final decision made on any work assignment or job. Customer shall retain full, final and complete control and supervision of the well and performance in and around the well.
- 1.4 Paradigm gives no warranty, express or implied, as to the design, workmanship, quality, fitness for any purpose, or operation or any other representation or warranty whatsoever in relation to any Equipment, Tool or Service provided. All such risks are to be borne by Customer whether or not the Equipment or Tool is operated under Paradigm's supervision.

2. PRICES AND CHARGES

Unless otherwise stated in the applicable Price List or Quotation:

2.1 For Rentals only:

- 2.1.1 no Services are included in rental charges shown;
- 2.1.2 all rental charges may be subject to minimum rental period;
- 2.1.3 rental charges commence when each individual piece of Equipment or Tool leaves Paradigm's service location and continue until return to such location or until Paradigm is notified that such Equipment or Tool is lost or damaged beyond repair; and

- 2.1.4 all rental charges are charged on a calendar Day, and any part of a Day constitutes a Day.

2.2 **For Services only:**

- 2.2.1 all Services charges are charged on a calendar Day, and any part of a Day constitutes a Day;
- 2.2.2 Services may be subject to a minimum charging period;
- 2.2.3 Service charges begin when Paradigm Personnel leave their designated location and continue until such Personnel returns to such location;
- 2.2.4 Customer will provide suitable communications, living accommodation and meals for Paradigm Personnel at Customer Work Site at no cost to Paradigm or, where such provision is not made by Customer, Paradigm will charge Customer for actual cost incurred plus a 15% mark-up; and
- 2.2.5 if Paradigm Personnel and/or Equipment are mobilized at Customer's call-out and call-out is cancelled by Customer, Customer will be charged for actual cost incurred plus a 15% mark-up.

2.3 **Transportation:**

- 2.3.1 Customer will be invoiced at cost price plus a 15% mark-up for third party transportation;
- 2.3.2 Customer will be charged at the appropriate listed mileage rates for any Paradigm vehicles used by Paradigm Personnel for the Services;
- 2.3.3 all transport or freight charges are in addition to and separate from any rental or Service charges; and
- 2.3.4 where, for the convenience of Customer, Paradigm arranges transport or freight all charges by the carrier will be invoiced to Customer at the rate charged by carrier plus a 15% mark-up.

3. **WELL CONDITIONS**

Well conditions which prevent satisfactory operation of Equipment or the accomplishment of the intended objective of Services does not relieve Customer of obligation and liability to pay any charges.

4. **DISCOUNT**

- 4.1 Discounts, if any, granted by Paradigm apply only to Equipment or Tool owned by Paradigm and such discounts apply only to rental charges for such Equipment or Tool. Under no circumstances and in no event shall such

discounts apply to any other charges, including but not limited to, charges for Service Personnel, labour charges, transport costs, repair costs, inspection charges, third party charges, rental charges for Equipment or Tool not owned by Paradigm, lost Equipment or Tool charges, damaged beyond repair charges and any elements of an invoice relating to taxes, imposts or such like charges.

- 4.2 Discounts, if any, are only applicable if Paradigm receives full payment of the invoice amount due within 30 Days of invoice date.

5. **RESPONSIBILITY FOR EQUIPMENT**

- 5.1 Customer agrees to return each piece of Equipment or Tool to Paradigm in as good a condition, fair wear and tear from reasonable use excepted, as when sent from Paradigm's service centre. Customer accepts and assumes all risk of loss, destruction, or damage to Equipment or Tool from the time it leaves Paradigm's service centre until it is returned to that service centre, or until it is declared lost or damaged beyond repair to Paradigm by Customer. Equipment or Tool in the possession and control of Customer (whether rented or leased to Customer, or stored at Customer Work Site) that is not returned or is damaged beyond repair shall be charged to Customer at the current list price of new such Equipment or Tool. No damages or charges of any kind incurred by Customer in attempting to repair or replace defective Equipment or Tool or occasioned by defective Equipment or Tool will be allowed as a deduction from such charges to Customer.
- 5.2 Customer will pay Paradigm the full cost of any inspection performed by Paradigm or a third party inspection service upon return of the Equipment or Tool. Where Equipment or Tool is returned in unclean condition, including the presence of Harmful Waste, Paradigm will clean, or cause to be cleaned, such Equipment or Tool and all costs of such cleaning and disposal of waste together with a mark-up of 15% will be for the account of Customer.
- 5.3 All Equipment or Tool not returned for whatever reason or damaged beyond repair will be paid for by Customer at the respective manufacturer's current price list, for new Equipment or Tool. In addition all transportation, shipping, freight, insurance, taxes, customs duties, and any other charges will be invoiced to Customer. All damaged Equipment or Tool which can be repaired to American Petroleum Institute and/or other applicable specifications will be repaired by Paradigm, and all costs for parts, labour and inspection will be paid by Customer. Equipment or Tool invoiced as a sale after having been damaged beyond repair will be held for Customer for a period of 60 days after the invoice date, and if not removed within those 60 days will be subject to disposal at the discretion of Paradigm without any liability of Paradigm to Customer.
- 5.4 All replaceable spare parts may be replaced upon return of Equipment or Tool and any such cost will be for the account of Customer.

6. **ENVIRONMENTAL**

Paradigm is committed to operating in a safe and environmentally acceptable manner. Whenever Equipment or Tool is returned from a Work Site it may be covered or contaminated by residual material, or Harmful Waste from operations in a well-bore in which case Paradigm will perform cleaning of Equipment or Tool in a safe and environmentally acceptable manner and the resulting costs will be charged to Customer at cost plus 15% mark-up

7. **TITLE TO EQUIPMENT**

Title to Equipment or Tool shall remain with Paradigm. Paradigm shall be entitled to enforce its title on any occasion and especially where Customer has breached any term of the Contract

8. **INSPECTION**

8.1 Customer's acceptance of delivery of Equipment or Tool is conclusive proof and demonstration that Customer has inspected and found the Equipment or Tool to be suitable for its purpose(s) and in good condition.

8.2 The signature of Customer's representative on the Service/Delivery ticket is conclusive proof of Customer's acceptance of the rental rates and charges of such Equipment or Tool.

9. **SUB-RENTAL**

If it is necessary for Paradigm to sub-rent Equipment or Tool from a third party to comply with a Customer order, irrespective of the reason, if any, Customer shall pay such third party charges even although such charges may be higher than the rate stated in the applicable Price List or Quotation for similar Equipment or Tool.

10. **SPECIAL EQUIPMENT/SPECIAL CHARGES**

All special Equipment or Tool sourced from a third party or manufactured by Paradigm shall be sold, rented, leased or otherwise provided to Customer at quoted price.

11. **STANDBY CHARGES**

Standby Charges, where applicable, may be applied under conditions specified in various sections of the applicable Price List or Quotation.

12. **CUSTOMER REQUESTED INSPECTIONS**

Any inspection or testing of Equipment or Tool performed according to Customer requirements shall be paid for by Customer.

SECTION 4

REMEDIAL TOOL RENTAL TERMS

These Remedial Tool Rental Terms and the Rental and Service Terms and Conditions also apply to fishing tools rentals and Services.

All Equipment delivered or called out by Customer, with or without Paradigm Personnel, will be charged at the applicable rate from the time that Equipment leaves Paradigm's service centre until its return to such service centre.

Equipment sourced from third parties are subject to the conditions, warranties (if any) and prices established by such third parties plus a commercial mark-up by Paradigm.

1. REMEDIAL TOOLS RENTED WITH PARADIGM PERSONNEL

1.1 Tool Rentals:

When Remedial Tools are rented with Paradigm Personnel, Tools used will be charged at the rental prices listed in the applicable Price List or Quotation, plus the applicable charges for Paradigm Personnel. Customer's liability begins when Tools leave Paradigm service centre and continues until they return to such Service Centre. Unless specifically stated otherwise in the applicable Price List or Quotation, all rental charges are on a calendar Day basis (which for the avoidance of doubt shall be a 24 hour period ending at midnight) and any part of a Day shall be charged as a whole Day.

1.2 Tools not used:

All Tools and Equipment not used will be charged to Customer according to Standby Rental Prices. Unless specifically stated otherwise in the applicable Price List or Quotation, all Standby Rental Prices are charged on a calendar Day basis and any part of a Day shall be charged as a whole Day

1.3 Redress kits are supplied free of charge but classed as 'sold' if opened, used, damaged or not returned, and will be charged to Customer at the prices listed in the applicable Price List or Quotation.

1.4 Where applicable all Tools and Equipment are supplied with thread protectors, and if Tools or Equipment are returned without same, these will be charged to the Customer at the rates listed in the applicable Price List or Quotation.

2. REMEDIAL TOOLS RENTED WITHOUT PARADIGM PERSONNEL

2.1 When Remedial Tools are rented without Paradigm Personnel, Tools will be charged at current rental prices listed in the applicable Price List or Quotation.

2.2 Customer's liability begins when Tools leave Paradigm service centre until their return to such Service Centre. Unless specifically stated otherwise in the

applicable Price List or Quotation all rental charges are on a calendar Day basis or any part of a Day.

- 2.3 Customers shall be charged a full calendar Day rental for any portion of a calendar Day (which for the avoidance of doubt shall be a 24 hour period ending at midnight). Where Customer requests a transfer of Tools and Equipment from one Work Site to another Paradigm will charge a minimum rental period at operational and/or Standby Rental Rates.
- 2.4 Customer has the responsibility and duty to supply Paradigm with all the necessary information regarding operating and standby Days that the Tools and Equipment incur during the period of rental. Most but not all fishing tools are available for rent without Paradigm Personnel
- 2.5 If Equipment is returned from Customer without a detailed tool utilisation/usage report, and upon inspection are found to have been utilised / run, a 5 operational Day charge at the charges listed in the applicable Price List or Quotation will be charged as a minimum.

3. **PARADIGM PERSONNEL RATES**

Paradigm Personnel rates are listed in the applicable Price List or Quotation

4. **TRANSPORTATION**

- 4.1 All costs of transporting Paradigm Personnel, Tools and Equipment to and from Work Site will be provided free of charge by Customer, or otherwise charged to Customer at rates listed in the applicable Price List, or Quotation to Customer by Paradigm.
- 4.2 Charges made by third parties will be charged to Customer plus a commercial mark-up of 15%.

5. **STANDBY RENTALS**

- 5.1 Except as otherwise stated in the applicable Price List or Quotation, Standby Rates shall apply when Tools or Equipment are not made up in the drill string or are in transit to or from a Customer Work Site or are specifically held for Customer use at Paradigm service centre.
- 5.2 When Tools or Equipment on standby are actually used, all Days actually used will incur the rates stated in the applicable Price List or Quotation.
- 5.3 Tools or Equipment sourced from third parties are subject to the conditions, warranties (if any) and prices established by such third party, whether used or unused, plus a commercial mark-up by Paradigm.

6. **SPECIAL TOOLS**

Special Tools ordered and built for a Customer will be charged at a price agreed by the Customer and Paradigm.