

## **1. Definitions**

- 1.1 “Affiliates” means any holding company or subsidiary of any company or any other subsidiary of such holding company. For the purposes of this definition, “holding company” and “subsidiary” means a holding company or a subsidiary (as the case may be) as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in sections 1159(1)(b) and (c) as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee) by way of security or in connection with the taking of security or (b) its nominee
- 1.2 “Claims” means all claims, debts, judgments, awards, remedies, losses, liabilities, damages, costs and expenses (including, but not limited to, legal costs and expenses), fines and liabilities
- 1.3 “Company” means the party named as such in the Contract or Purchase Order
- 1.4 “Company Group” means the Company, its Affiliates and its and their respective directors, officers and employees
- 1.5 “Consequential Loss” means:
  - (a) consequential or indirect loss under applicable law; and
  - (b) loss and/or deferral of production, loss of product, loss of use, loss of revenue, loss of profit or anticipated profit (if any) in each case whether direct or indirect to the extent that these are not included in (a) above and whether or not the same are foreseeable at the time the Contract was entered into
- 1.6 “Contract” means a contract or Purchase Order between the Company and Supplier for the purchase of goods and services as formed by the terms and conditions set out in the Frame Agreement together with any additional terms and conditions contained in any Purchase Order issued thereunder
- 1.7 “Supplier” means the company or person named as such in the Contract or Purchase Order
- 1.8 “Supplier Group” means the Supplier, its SubSuppliers, its and their Affiliates, its and their respective directors, officers and employees (including, but not limited to, agency personnel) but shall not include any member of the Company Group. Supplier Group shall also mean SubSuppliers (of any tier) of a SubSupplier, their Affiliates, their directors, officers and employees (including, but not limited to, agency personnel)
- 1.9 “Delivery” has the meaning set out in Clause 4
- 1.10 “Delivery Date” means the date specified in the contract Purchase Order or such date as agreed in writing between the Parties
- 1.11 “Force Majeure” means any event outwith the control of the Party affected (other than a shortage or lack of money provided that such Party could not have reasonably foreseen the occurrence of such an event at the time it entered into the Contract and the event is not due to the fault or negligence of the Party seeking to rely on it
- 1.12 “Guarantee Period” means the period of eighteen (18) months from the date the Work was first put into use by the Company for its intended purpose or the period of twenty four (24) months from the Delivery Date, whichever is the later
- 1.13 “Pollution” means any liquid or non-liquid pollutant, containment of whatsoever nature including well production, crude oil, waste, fuel, lubricants and grease
- 1.14 “Purchase Order” means the purchase order issued by the Company to the Supplier subject to the terms and conditions contained in a Contract together with any documents described or referenced to therein
- 1.15 “Purchase Price” means the total compensation payable to the Supplier for the Work as set out in the applicable contract or Purchase Order
- 1.16 “Variation Order” means such written order issued by the Company to the Supplier in accordance with Clause 8
- 1.17 “Work” means all the Supplier is required to perform or deliver under the applicable contract or Purchase Order

## **2. Acceptance**

- 2.1 The Contract shall become binding between the Company on the Supplier returning a signed copy of the Contract or Purchase Order, acknowledgement of receipt of the Purchase Order by the Supplier or on commencement by the Contract of any of the Work required under the contract or Purchase Order, whichever is the earlier

## **3. Termination**

- 3.1 The Contract may be terminated on the occurrence of:
- (a) breach of a term of Contract by the Supplier or the Company becomes dissatisfied with the performance or progress of the Work and the Supplier fails to adequately remedy the default within seven (7) working days of being notified of it by the Company
  - (b) in respect of the Supplier, in the event:
    - (i) an order is made, or a meeting is called to pass a resolution for the winding up (except for the purposes of amalgamation or reconstruction), administration, appointment of a receiver or similar procedure; or
    - (ii) a receiver, administrative receiver, administrator, provisional liquidator, liquidator or similar official is appointed or notice of the proposed appointment of any of the foregoing is given to any Party; or
    - (iii) a voluntary arrangement or scheme of arrangement is proposed or negotiations are commenced or a composition, compromise, assignment or arrangement is entered into with one or more of its creditors with a view to rescheduling any of its indebtedness (because of actual or anticipated financial difficulties); or
    - (iv) any equivalent act or thing is done or suffered under any applicable or analogous law in any jurisdiction
  - (c) in the case of a constructive, arranged or actual loss by the Company of any of its drilling units under its control or ownership during the Contract or performance of the Work
  - (d) on the occurrence of a Force Majeure event as per Clause 16 where either Party is prevented from performing its obligations for a period of thirty (30) consecutive calendar days or more
  - (e) in the event of a dispute between the Supplier and its personnel or any SubSupplier and its personnel which does or will seriously affect or hamper the progress of the Work and this dispute has continued for a period of seven (7) consecutive calendar days or more
  - (f) in the event of termination of the Contract or relevant part thereof between the Company and its end client
- 3.2 Unless otherwise provided the Supplier will only be entitled to remuneration for Work properly performed up to and including the date of termination together with actual reasonably, properly incurred and unavoidable expenses for termination under Clauses 3.1(c) and 3.1(f). Such remuneration shall be capped at one hundred percent (100%) of the applicable contract or Purchase Order value
- 3.3 Unless otherwise agreed the Company shall be entitled to claim from the Supplier for direct and properly incurred costs and expenses it incurs as a result of termination under Clauses 3.1(a) and 3.1(e) above and the Company shall be entitled to perform or cause to be performed by a third party the Supplier's obligations in default and all associated costs and expenses of doing so will be recoverable from the Supplier by the Company under the terms of the Contract or at law, including, but not limited to, deduction by the Company of such costs and expenses from any sums due or may become due to the Supplier under the Contract or applicable Purchase Order
- 3.4 Company has the right to terminate the Contract for its own convenience at any time by giving the Supplier at least thirty (30) days prior written notice. In the event of termination by the Company under this Clause 3.4 the Supplier shall only be entitled to reimbursement for work properly performed up to and including the date of termination together with reasonable and properly incurred costs and expenses incurred by it as a result of such termination. Such claim by the Supplier shall not exceed one hundred percent (100%) of the value of the applicable Purchase Order.
- 3.5 If the Company gives the Supplier notice of termination of all or any part of the Work or the Contract, such notice will become effective on the date specified in the notice (or, in the absence of such specified date, then on the date of receipt of the notice) upon which date the Supplier must immediately:
- (a) cease performance of the Work or such part of the Work as specified in the notice

- (b) allow the Company or its nominee full right of access to take over the Work or relevant part of the Work and all plans, drawings, specifications and all other Company Group and Supplier Group property
  - (c) assign to the Company or its nominee all or relevant parts of the rights, titles, liabilities and Subcontracts relating to the Work
- 3.6 In the event of termination of the entire Work or the Contract in accordance with Clause 3.1(a) or 3.1(e) the following are applicable:
  - (a) the Supplier ceases to be entitled to receive any monies under the Contract until the costs of completion and all other costs arising as a result of termination have been fully ascertained
  - (b) subject to Clause 3.6(a) and any deductions due under the provisions of the Contract the Supplier is entitled to payment only for Work properly completed in accordance with the Contract up to the date of termination; and
  - (c) additional costs and expense reasonably incurred by the Company as a direct result of the Supplier's default or other events giving rise to termination are recoverable from the Supplier or may be deducted from amounts due under the Contract
- 3.7 Termination of the Contract (whether under this Clause 3 or any other provision of the Contract or Purchase Order) will be without prejudice to any rights or remedies that may have accrued to either Party prior to termination. The Company's rights pursuant to the terms of this Clause 3 or any other provision of this Contract or Purchase Order which entitle the Company to terminate the Contract are without prejudice to the Company's right to claim damages according to law or any other remedies available to the Company by virtue of this Contract

#### **4. Delivery**

- 4.1 Delivery shall be made in accordance with the applicable contract or Purchase Order to the address and on the date specified therein. In the event a date is not specified on the contract or Purchase Order then delivery shall be made on the date and to the address mutually agreed in writing between the Parties
- 4.2 All costs relating to transportation, delivery, customs, insurance, packaging and associated documentation and certification shall be the responsibility of the Supplier unless otherwise expressly agreed in writing between the Parties
- 4.3 The Supplier shall be responsible for ensuring the Work has the correct contract or Purchase Order number, item number, manufacturer's part number and accompanying certification and documentation as well as being included under cover of a packing list detailing the applicable contract or Purchase Order and a brief description of the items contained therein
- 4.4 The Supplier is required to ensure that all drawings, certificates and other documentation are provided to the Company on the Delivery Date
- 4.5 Where applicable, the Supplier is required to ensure all requisite documentation and certificates are provided to the Company on the Delivery Date at no additional cost to the Company
- 4.6 Should the Supplier fail to deliver on the Delivery Date the Company shall be entitled to claim liquidated damages as per Clause 6.10
- 4.7 The Company reserves the right to amend the delivery location and/or delivery date in the Contract or Purchase Order at any time and will notify the Supplier in writing of such amendment. Subject to the provisions of Clause 8 the Supplier will be entitled to request an amendment or extension to the Delivery Date upon receipt of notification under this Clause 4.7

#### **5. Representatives of the Parties**

- 5.1 Each of the Parties shall nominate a representative for the Contract who shall be authorised to act on that Party's behalf in all matters concerning the Contract and any Purchase Order issued thereunder. Each of the Parties may nominate a substitute representative at any time by notifying the other Party in writing in advance
- 5.2 Only the nominated representative shall be eligible to agree on any amendments or alterations to the Contract or Purchase Order. Any such amendment or alteration must be reduced to writing and executed by both Parties
- 5.3 The Supplier shall permit the Company's representative or nominated personnel access to the Work and any site where the Work is being performed at any time upon receipt of reasonable advance notice from the Company

## **6. Performance of the Work**

- 6.1 The Supplier is required to perform the Work in a professional and careful manner applying the standards of a reputable professional Supplier of which the Company shall be the sole judge
- 6.2 The Supplier shall be deemed to have satisfied itself before entering into the Contract as to the extent and nature of the Work required including, but not limited to, the Work, personnel, materials and equipment, plant, consumables and facilities required for the Work, correctness and sufficiency of the rates and prices contained within a Contract or the Purchase Order and all other matters that could potentially affect the progress or performance of the Work. Any failure by the Supplier to take account of matters that could or could reasonably affect the progress of the Work will not relieve the Supplier from any of its obligations under the Contract or Purchase Order issued hereunder
- 6.3 The Supplier shall:
  - 6.3.1 Examine any documents or information provided by the Company for any defects, errors, discrepancies or inconsistencies contained therein and notify the Company immediately of any such issue(s) identified. The Company and the Supplier shall then discuss and agree on a way forward to remedy the issue(s) identified. The Company shall have no liability to the Supplier nor will the Supplier be entitled to claim any additional remuneration or time as a result of additional cost or delays incurred by the Supplier as a result of a failure by it to identify and notify the Company of any such issue(s)
  - 6.3.2 Keep itself informed of:
    - (a) all applicable laws and regulations from time to time being in force
    - (b) all requirements and orders of classification societies and public authorities, current trade union and wage agreements
    - (c) Company guidelines including any revisions thereto relating to health, environment, safety and quality when performing Work at Company premises including, without limitation, any offshore worksite
    - (d) actively contribute to the transfer of experience throughout performance of the Work
  - 6.3.3 Ensure all applicable tax deductions, duties and other payments are made in accordance with applicable legislation and associated regulations including any revisions thereof and from time to time being in force
  - 6.3.4 Plan and execute all activities in a way to ensure that these are performed without causing or potentially causing any loss of life, injury, damage to property or the environment
  - 6.3.5 Obtain all approvals, permits, licences and consents required at its sole cost and expense
  - 6.3.6 Return any and all items received from the Company on completion of the Work or upon expiry or termination of the Contract, whichever is the later
  - 6.3.7 Ensure its personnel are in possession of all necessary training certificates, permits, authorisations (including, but not limited to, work permits and visas) which may be required. Any personnel who do not currently have such documentation will not be permitted access to premises (both onshore and offshore) operated by the Company or its end client. The Company reserves the right to request copies of all such documentation from the Supplier at any time during the Contract and associated costs and expenses shall be to the Supplier's sole cost and account
- 6.4 On Company request the Supplier shall provide copies of CVs for all key personnel who will be performing the Work. The Company has the sole right whether or not to approve such personnel and to request immediate replacement of any personnel who, in the Company's sole opinion, fail to perform the Work satisfactorily. The Supplier shall be responsible for arranging a suitable replacement within twenty four (24) hours of receipt of such notice from the Company and shall be responsible for all costs and expenses incurred by the Company as a result. The Supplier shall not change out any key personnel without obtaining prior written consent from the Company to do so. Costs of any handover period will be to the Supplier's account
- 6.5 Supplier shall not subcontract all of the Work under the Contract or Purchase Order and it shall not subcontract any part of the Work without obtaining prior written consent from the Company. The Company reserves the right to request copies of any subcontracts from the Supplier and the Supplier is required to ensure that any subcontracts issued in relation to the Work contain like provisions to the Contract. The Supplier shall also include provisions requiring the SubSupplier to waive any right to make a claim against the Company or the Company Group arising out of or connected with the Contract. Subcontracts shall also expressly provide for the Supplier's unconditional right of assignment from the SubSupplier to the Company in the event of termination of the Contract by the Company. The Supplier remains as fully responsible for all work, acts,

- omissions or defaults on the part of a SubSupplier as if they were the work, act, omission or default on the part of the Supplier itself
- 6.6 The Supplier is required to carry out all inspections and tests required by the Contract or Purchase Order, the Contract or its' or the Company's Quality Assurance System. Such inspection and testing shall be to the Supplier's sole cost and account and the Supplier is required to provide the Company with copies of all documentation produced and certificates issued. The Company or its nominated representative shall have the right to inspect and test the Work or part thereof at any time and the Supplier shall be required to provide the Company or its nominated representative access to the site where the Work is being performed. The Supplier is required to provide the Company with reasonable advance notice of any testing or inspection on the Work or as per such notice period as may be contained in the Contract or Purchase Order
- 6.7 The Company reserves the right to instruct the Supplier to carry out additional testing and inspection work and the cost of such additional testing or inspection work shall be to the Company's account unless such activities are required due to defective performance by the Supplier or such testing or inspection reveals a defect in the Work
- 6.8 Any inspection or tests carried out by the Company do not in any way reduce or otherwise affect the liabilities and obligations of the Supplier
- 6.9 Within ten (10) working days of receipt of the Contract or Purchase Order the Supplier shall issue the Company with a Schedule for the progress of the Work for review by the Company. The Supplier shall also be required to issue progress report(s) to the Company in the format and on the date(s) agreed between the Parties on commencement of the Work. The content of such reports shall be agreed between the Parties at commencement of the Work and include information on any areas of concern and/or challenges to progress identified by the Supplier
- 6.10 Where Work is delayed beyond the Delivery Date the Supplier shall be responsible to the Company for liquidated damages accruing at a rate of zero point five percent (0.5%) per day of delay up to a maximum of ten percent (10%) of the applicable Contract or Purchase Order value. The Company shall be entitled to terminate the Contract and/or Purchase Order and seek performance from a third party in the event that the maximum cap of liquidated damages under this Clause 6.10 is reached. All amounts of such liquidated damages for which the Supplier may become liable are agreed as a genuine pre-estimate of the losses which may be sustained by the Company in the event the Supplier fails in its respective obligations and are not a penalty
- 6.11 The Supplier shall notify the Company in writing immediately if it becomes aware or should reasonably be aware that the Work or any part thereof may not be delivered on or before the Delivery Date. The Supplier shall also provide details on the cause and effect of the delay and any proposed actions to avoid, mitigate or recover the delay. If such actions are not deemed adequate by the Company it can require the Supplier to take such expediting actions it considers necessary to ensure delivery on the Delivery Date or arrange performance of the Work by a third party and recover all costs and expenses it incurs as a result of doing so from the Supplier unless the reason for the actual or potential delay to delivery is due to the occurrence of a Force Majeure event
- 6.12 The Company shall be entitled to reject the Work where it does not comply with the requirements of this Contract or Purchase Order. The Company can order the Supplier to repair, replace or otherwise correct defective performance of the Work by the date specified by the Company at the Supplier's sole cost and expense. If the Supplier fails to or is unable to carry out corrective Work within the period required by the Company the Company may terminate the Contract and/or Purchase Order and seek performance from a third party and recover all costs and expenses it incurs as a result of doing so from the Supplier

## **7. Offshore Transportation**

- 7.1 Where the Work is to be performed offshore, the Company shall provide, at no additional cost to the Supplier, all routine and medi-vac transportation for Supplier provided personnel and transportation for Supplier provided equipment and material which are capable of transportation by helicopter or supply boat between the Company designated heliport and supply base as specified in the Purchase Order or as notified by the Company to the Supplier
- 7.2 The costs of any non – routine transportation required or requested by the Supplier may, at the sole discretion of the Company, be recovered from the Supplier



## **8. Variations**

- 8.1 The Company reserves the right to issue a Variation to the Supplier at any time which may include an increase or decrease in the quantity, character, kind or execution of the Work or part thereof
- 8.2 The Supplier is required to notify the Company immediately upon becoming aware of any event or occurrence that will or is reasonable likely to impact progress of the Work. Where the Supplier fails to submit a request for a Variation within five (5) working days of the occurrence of such an event it will no longer be eligible to submit such a request or subsequently claim reimbursement for any related costs and expenses
- 8.3 The Supplier shall submit a written cost estimate to the Company for review including details of any other effect the Variation Order may have on the Work
- 8.4 The Supplier shall only begin work under this Clause 8 on receipt of a written Variation Order from the Company unless it is an emergency situation whereby verbal instruction from the Company will be sufficient. Any such verbal instruction will be followed up in writing in due course
- 8.5 On receipt of a Variation Order the Supplier shall begin Work without delay
- 8.6 The Supplier is required to maintain a register of Variation Requests made and Variation Orders received from the Company
- 8.7 Compensation for work carried out under this Clause 8 shall be determined by utilising rates and prices for the Work contained in the Contract or Purchase Order or as otherwise agreed in writing between the Parties
- 8.8 Where comparable rates have not been formally agreed compensation shall be as agreed between the Parties
- 8.9 The Supplier shall not be eligible to request a Variation from the Company in the event that any delay or anticipated delay is due to an act or default on the part of the Supplier

## **9. Compensation**

- 9.1 The Company shall pay the Supplier the Price contained in the Contract or Purchase Order and in accordance with the rates and prices contained within Section D – Compensation of an applicable Contract
- 9.2 Price contained in a Contract or Purchase Order shall be fully inclusive and is not subject to escalation
- 9.3 The Company shall have the right to audit the Supplier's financial records pertaining to this Contract or Work performed for the duration of the Contract and for a period of three (3) years from the date of expiry or termination of this Contract or Work completed

## **10. Invoicing and Payment**

- 10.1 The Supplier shall invoice the Company on a monthly basis for all Work performed during the course of the preceding month. Any claim submitted by the Supplier more than sixty (60) days after completion of the Work shall not be accepted by the Company
- 10.2 Invoices must contain the relevant Contract and/or Purchase Order number or Variation Order number and be adequately supported by backup documentation. Where Work is performed on a reimbursable basis the Supplier is required to attach copies of approved timesheets or man hour reports to invoice submissions
- 10.3 Supplier invoices will be paid by the Company within sixty (60) days of receipt of a correctly prepared and adequately supported invoice by it
- 10.4 The Company reserves the right to withhold payment of any disputed or undocumented amount invoiced by the Supplier
- 10.5 Payment of an invoice does not constitute approval of the Work by the Company
- 10.6 The Supplier shall be responsible for and shall pay or cause to be paid when due all taxes for which the Supplier is liable by reason of performance of the Work
- 10.7 In commencing Work under a Contract or Purchase Order the Supplier confirms that it has in place procedures reasonable to prevent the facilitation of United Kingdom (UK) tax evasion or any other applicable law in the place where the Work is being performed and in relation to Suppliers with a UK connection they have reasonable procedures in place to prevent the facilitation of non-UK tax evasion such that the Supplier is compliant with the requirements of legislation as set out within Part 3 Criminal Finances Act 2007 as is time to time being in force. The Supplier is required to notify the Company in advance of signing the Contract or Purchase Order if it does not have such procedures in place. The Company reserves the right to request evidence of the Supplier's compliance with the requirements of this Clause 12.6 as may be necessary for the Company to

meet its own obligation(s) under Part 3 Criminal Finances Act 2007 as is time to time being in force. The Company reserves the right, on provision of reasonable notice, to request the Supplier to provide the Company with copies of such information reasonably required by the Company to enable the Company to comply with the requirements of applicable law or any lawful request received by the Company for such information from any Governmental authority having responsibility for the assessment or collection of taxes

## **11. Taxes**

- 11.1 Supplier shall be responsible for and shall pay or cause to be paid when due all taxes for which any member of the Supplier Group is liable by reason of performance of the Work. In satisfying such obligations the Supplier shall:
- (a) make reasonable efforts to minimise taxes arising with respect to the Work, including, but not limited to, cooperating and reasonably assisting the Company in support claims for exemption as well as for credits on purchase of equipment, materials, goods and services
  - (b) supply to the Company, in the format and within time limits required by the Company, information necessary in relation to the Supplier Group to enable the Company to comply with the applicable law or any lawful request(s) for such information from any Governmental authority having responsibility for the assessment or collection of taxes
  - (c) where required by applicable law, establish and register as necessary in the country or countries and in any applicable political subdivision where any part of the Work is to be performed. Register and file such notices and tax returns or both with the taxing authorities of such country as required by law; and
  - (d) take action as is necessary to ensure payment of all taxes, duties, levies, charges and contributions (and any interest or penalties thereon) for which the Supplier Group is liable arising out of or in connection with the Work;
  - (e) ensure that person(s) employed by or providing services to the Supplier Group comply with the registration for and payment of taxes as necessary under law for work done on or in connection with the Work
- 11.2 If the Supplier fails to obtain immunity or exemption from taxes from which any member of the Supplier Group is exempt under applicable law, or fails to obtain a refund or credit including interest applicable for any such taxes paid then such taxes shall be solely to the Supplier's account
- 11.3 The Company shall pay all taxes for which the Company is liable under the Contract or Purchase Order
- 11.4 The Company shall withhold taxes from payment to the Supplier as required by law. On payment of amount(s) withheld to the appropriate Government entity or agency, such amount(s) shall be deemed to be payment to the Supplier and the Company shall have no further obligation to pay such amount(s) to the Supplier. Production of a receipt or other written evidence of withholding shall act as conclusive proof between the Parties of such withholding. On receipt of a written notice from the Supplier, the Company shall provide to the Supplier a withholding tax receipt or other written evidence of withholding and payment as required by law
- 11.5 The Supplier shall require all other members of the Supplier Group to fulfil all their respective withholding and tax retention obligation under the applicable law
- 11.6 The Supplier shall release, defend, indemnify and hold the Company Group harmless from liability to any competent authority resulting from failure by any member of the Supplier Group or their personnel to make timely payment or timely filings with respect to any obligations to pay taxes in relation to the Work. This extends to include all penalties and interest imposed in addition to taxes due as a result of a failure by any member of the Supplier Group or their personnel to comply with any reporting, filing, payment or procedural requirements. Any interest, penalties or liabilities arising from any such failure shall be to the Supplier' sole account
- 11.7 Where applicable in relation to performance of the Work the Supplier Group shall be responsible for and shall pay import/export licence fees, import/export duties and any associated import/export charges incurred in relation to the Work
- 11.8 In signing the Contract or Purchase Order issued hereunder the Supplier confirms that it has in place procedures reasonable to prevent the facilitation of United Kingdom (UK) tax evasion and in relation to Suppliers with a UK connection they have reasonable procedures in place to prevent the facilitation of non-UK tax evasion such that the Supplier is compliant with the requirements of legislation as set out within Part 3 Criminal Finances Act 2007 as is time to time being in force. The Supplier is required to notify the Company in advance of signing the Contract or Purchase Order if it

does not have such procedures in place. The Company reserves the right to request evidence of the Supplier's compliance with the requirements of this Clause 11.7 as may be necessary for the Company to meet its own obligation(s) under Part 3 Criminal Finances Act 2007 as is time to time being in force. The Supplier is also required to provide the Company with copies of documentation requested by it during the Contract upon reasonable notice from the Company to do so

## **12. Title and Risk**

- 12.1 Title in the Work passes to the Company progressively as the Work is performed. Risk in the Work passes to the Company from time to time when Delivery is accepted by it and completed in accordance with the requirements of the Contract or Purchase Order or as otherwise notified by the Company to the Supplier at any time and as per Clause 4 or the applicable Contract or Purchase Order
- 12.2 All equipment, material and supplies provided by the Supplier for incorporation into the Work or the outputs or deliverables of the Work become Company property on delivery to the worksite or payment by the Company, whichever is the earlier
- 12.3 The Supplier must ensure all Supplier provided items, the Work, outputs of the Work and any Company items in possession of the Supplier are free from all liens and retention of title claims by any third party. The Supplier will save, indemnify, defend and hold harmless from and against any liens or attachments by any third party or any SubSuppliers in connection with this Contract
- 12.4 The Supplier is required to mark all such equipment and materials with "Property of Dolphin Drilling" and store such items separately from all Supplier property. The Supplier is required to maintain all Company Property in good and working condition whilst in its custody and care as well as ensuring it is protected by adequate insurance coverage
- 12.5 Any Company property including, but not limited to, equipment and materials are not to be used for any purpose other than the Work

## **13. Defects and Guarantee Liability**

- 13.1 The Supplier guarantees performance of the Work and warrants that the Work will be fit for its ordinary or intended purpose or use as notified to it by the Company. The Guarantee Period continues for a period of eighteen (18) months from the date the Work was accepted or first put into use by the Company for its intended purpose or the period of twenty four (24) months from the Delivery Date, whichever is the later
- 13.2 An additional eighteen (18) month Guarantee Period will apply to any Work carried out by the Supplier under Clause 13.1
- 13.3 The Company shall notify the Supplier of any defect in the Work
- 13.4 The Supplier shall be required to rectify any notified defect in the Work without undue delay and such work shall be carried out at its sole cost and expense. Where the Work involves provision of Goods the Supplier will be responsible for collecting the Goods and for all costs and expenses associated with such collection. Where the Supplier is unable to carry out corrective work to the Company's satisfaction the Company is entitled to:
  - (a) terminate the Contract and/or Purchase Order without liability to the Supplier for any costs and expenses it incurs as a result of such termination; or
  - (b) carry out such work itself; or
  - (c) seek performance from a third party and reclaim all costs and expenses it incurs as a result of doing so from the Supplier; or
  - (d) seek to claim damages from the Supplier as per the Contract and/or applicable law
- 13.5 The Supplier's total liability under this Clause 13 shall not exceed one hundred percent (100%) of the applicable Contract or Purchase Order value. For the avoidance of doubt, this limitation does not apply to any other Supplier obligations including, but not limited to, such obligations contained in Clauses 16 and 17 which shall not be so limited

## **14. Breach of Contract**

- 14.1 In the event of breach of any term of this Contract or Purchase Order by the Supplier the Company has the option to:
  - (a) cease all payments until the Supplier has fulfilled its obligations; or
  - (b) terminate the Contract and/or Purchase Order with immediate effect where the Supplier is in material breach of its obligations; or



- (c) claim for losses incurred by it including, but not limited to, costs and expenses incurred by it due to having to seek performance of the Work from a third party

#### **15. Force Majeure**

- 15.1 Neither of the Parties shall be deemed to be in material breach to the extent that that Party can demonstrate fulfilment of that obligation has been prevented by the occurrence of a Force Majeure event
- 15.2 Any Party seeking to invoke the provisions of this Clause 15 shall notify the other in writing as soon as possible providing details regarding the nature of the occurrence and its anticipated duration
- 15.3 Each Party shall be responsible for its own costs during a Force Majeure event
- 15.4 If a Force Majeure event prevents a Party from complying with its obligations for a period of thirty (30) consecutive calendar days or more it is evidenced that it will do so then the Party will be entitled to cancel the Contract upon provision of written notice to the other. The Supplier will be required to return all Company provided materials and documentation in its possession at the date of termination and the Supplier will be entitled to remuneration for work properly performed up to and including the date the Force Majeure event occurred up to a maximum of one hundred percent (100%) of the Contract or Purchase Order value
- 15.5 For the purposes of this Contract only the following occurrences are deemed to be a Force Majeure event:
  - (a) war, civil war, acts of terrorism or armed conflict
  - (b) nuclear, chemical, biological contamination
  - (c) national strikes or lockouts or other national industrial disputes but excluding any industrial disputes or strikes involving only the workforce of the affected Party or any of its SubSuppliers
  - (d) earthquake, flood, fire, explosion and/or other natural physical disaster, but excluding weather conditions as such, regardless of severity
  - (e) changes to applicable legislation preventing execution of the Work in its entirety

#### **16. Indemnification and Insurance**

- 16.1 The Supplier shall be responsible for and shall save, indemnify, defend and hold harmless the Supplier Group from and against any and all Claims arising out of or connected in any way with the Contract in respect of:
  - (a) loss of or damage to or recovery of any property of the Supplier Group (whether owned, hired, rented, leased or otherwise provided by the Supplier Group); and
  - (b) personal injury, including death or disease of any person employed by the Supplier Group; This indemnity shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the Company Group
- 16.2 The Company shall be responsible for and shall save, indemnify, defend and hold harmless the Supplier Group from and against any and all Claims arising out of or in connection with the Contract in respect of:
  - (a) loss of, damage to or recovery of property of the Company Group (whether owned, hired, rented, leased or otherwise provided by the Company Group except for property leased or hired from the Supplier Group); and
  - (b) personal injury, including death or disease, of any person employed by the Company Group This indemnity shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the Supplier Group
- 16.3 The Supplier shall be responsible for and shall save, indemnify, defend and hold harmless the Company Group from and against any and all Claims arising out of or connected with the Contract by reason of personal injury including death or disease of or loss or damage to the property of any third party to the extent it was caused by the negligence or breach of duty (whether statutory or otherwise) of the Supplier Group. For the purposes of this Clause 16, "third party" shall mean any party which is not a member of the Supplier Group or Company Group
- 16.4 The Company shall be responsible for and shall save, indemnify, defend and hold harmless the Company Group from and against any and all Claims arising out of or connected in any way with the Contract by reason of personal injury including death or disease of or loss or damage to the property of any third party that is caused by the performance of the Contract to the extent caused by the negligence or breach of duty (whether statutory or otherwise) of the Company Group. For the purposes of this Clause 16, "third party" shall mean any party which is not a member of the Supplier Group or Company Group

- 16.5 The Supplier shall be responsible for and shall save, indemnify, defend and hold harmless the Company and Company Group from any and all Claims arising out of or connected with the Contract as a result of the Supplier Group's non – payment of any applicable taxes, duties or breach of any relevant laws or regulations (including, but not limited to, trade controls, health, safety, labour and environmental laws, rules and regulations)
- 16.6 Where arising out of or in connection with this Contract:
- (a) pollution occurs on the premises of the Supplier Group or originates from any property and equipment of the Supplier Group then the Supplier saves, indemnifies, defends and holds the Company Group harmless from and against any and all claims arising out of or in connection with such Pollution to the fullest extent permitted by law; and
  - (b) subject to Clause 16.6(a) above, Pollution occurs on the premises of the Company or originates from any property and equipment of the Company Group then the Company saves, indemnifies, defends and holds harmless the Supplier Group from and against any and all claims arising out of or in connection with such Pollution to the fullest extent permitted by law
- 16.7 The Supplier shall save, indemnify, defend and hold harmless the Company Group from all Claims arising out of or connected with the Contract due to any alleged or actual infringement of a patent, proprietary or protected right arising out of or connected with performance of its obligations irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the Supplier Group
- 16.8 The Supplier shall, at its own expense, maintain adequate insurance with a reputable insurance company of the types and amounts contained within this Clause 16.8 or as specified in a Contract or Purchase Order
- (a) Employers liability and/or (where the jurisdiction of the Work is to be performed or under which the personnel employed requires this) Workmen's Compensation Insurance covering personal injury to or death of the personnel of the Supplier engaged in the performance of the Work to the minimum value required by any applicable legislation including extended cover (where required) for working offshore
  - (b) General Third Party Liability Insurance for any incident or series of incidents covering the operation of the Supplier in the performance of the Contract
  - (c) Third Party and Passenger Liability Insurance and other motor insurance as required by law
  - (d) insurance covering the Supplier's own property, equipment, materials owned, hired, leased or used by the Supplier for the purposes of the Contract; and
  - (e) any additional insurance required by applicable law
- 16.9 The insurers shall name the Company Group as additional insureds and shall waive all rights of subrogation against the Company Group. The Company shall be entitled to request copies of insurance documentation from the Supplier at any time and the Supplier is required to notify the Company immediately should it no longer continue to hold any such form of insurance coverage. Failure by the Supplier to comply with the provisions of Clauses 16.8 and 16.9 shall be deemed to be a material breach of Contract and the Company shall bear no liability to the Supplier

## **17. Consequential Loss**

- 17.1 Subject to Clause 6.10 and the extent of any agreed liquidated damages notwithstanding any provision in the Contract:
- (a) the Company shall save, indemnify, defend and hold harmless the Supplier Group from the Company Group's own Consequential Loss; and
  - (b) the Supplier shall save, indemnify, defend and hold harmless the Company Group from the Supplier Group's own Consequential Loss
- All exclusions and indemnities given under this Clause 17.1 shall apply irrespective of cause and notwithstanding the negligence or breach of duty (whether statutory or otherwise) of the indemnified Party or any entity or Party and shall apply irrespective of any claim in tort, under contract or otherwise at law

## **18. Inventions and New Technology**

- 18.1 The Supplier warrants that the Work provided to the Company does not infringe (either directly or indirectly) any rights including Intellectual Property rights of a third party
- 18.2 The Supplier shall notify the Company immediately of any inventions or development, enhancement or improvement of new technology arising from the Supplier's performance of the Work where the same are based on or derived from information:

- (a) provided by the Company; or
  - (b) provided by both Parties but where it is impossible to establish which of the Parties provided the majority of the information
- Any such inventions or new technology shall become property of the Company Group and shall be solely owned by it
- 18.3 The Supplier shall be required to provide reasonable assistance to the Company to enable it to obtain patents for any inventions and new technology arising under this Contract or from the Work. The Company shall reimburse the Supplier for all reasonable and direct costs and expenses properly incurred by it in relation to the same, provided the Supplier can provide documentary evidence of such costs and expenses
- 18.4 The Supplier shall notify the Company immediately of any inventions or new technology which the Supplier or his personnel produces in connection with the Work and which are based on or derived from information mainly provided by the Supplier. In such cases the Supplier shall allow the Company an irrevocable, royalty free and non – exclusive worldwide licence to use such inventions or new technology in the Company's normal operations

## **19. Confidentiality**

- 19.1 The Supplier shall not publish, advertise or make any publicity announcements regarding the existence of this Contract or relating to any information, data or results relating to the Work or the Contract without obtaining prior written approval from the Company. Such consent shall not be unreasonably withheld or delayed. The contents and format of such announcement shall not be amended or altered in any way after approval by the Company. The obligations contained in this Clause 19.1 extend to all means of communication
- 19.2 During the Contract the Parties may receive information relating to the plans and business affairs of the other. Each Party shall treat such information as confidential unless the receiving party can prove that such information was received from a third party who has a legitimate right to distribute such information or any such information was widely available in the public domain prior to receipt by the receiving party
- 19.3 Confidential Information shall be handled in a secure manner with appropriate security measures implemented and access granted only to authorised personnel. Each Party shall notify the other of the names and positions of any authorised personnel and notify the other immediately of any change to the personnel identified
- 19.4 The Supplier is required to keep all Company Information it receives separate from its own files and data and implement adequate security measures to protect its confidential status
- 19.5 Notwithstanding the provisions of this Clause 19 neither Party shall be prohibited from disclosing any Confidential Information to any Government authority or regulatory body or stock exchange to the extent required by law. The same applies in relation to any third party to the extent required by law
- 19.6 Obligations regarding confidentiality continue for a five (5) year period from the date of termination or expiry of this Contract or the date of completion of the Work under a Purchase Order, whichever is the later
- 19.7 Supplier shall instruct Personnel to ensure that:
  - (a) all sensitive information is wiped from hard drives/storage at the end of the Work or on the expiry of the Contract, whichever is the later; and
  - (b) all hard copies and any reproductions hereof are destroyed at the end of the Work or on the expiry or termination of the Contract, whichever is the later

## **20. Communication**

- 20.1 All notifications, claims and other communications shall be exchanged in writing between the Parties to the nominated representative of each Party. Notices shall be delivered via first class post, registered courier or via email provided that delivery and read receipts are attached to the notice to act as confirmation of delivery and receipt. All communication must contain reference to the applicable Contract or Purchase Order number

## **21. Audit**

- 21.1 The Company or its nominated representative is entitled to undertake audits of all Supplier systems associated with the Work during the course of the Contract and for a period of three (3) years from the expiry or termination of the Contract or the date final payment for the Work is made by the Company to the Supplier, whichever is the later
- 21.2 The Supplier is required to assist the Company or its nominated representative in the carrying out of these audits at no additional cost to the Company
- 21.3 The Supplier is required to rectify any errors or inconsistencies identified during the course of an audit carried out under Clause 21.1 without undue delay and at no additional cost or expense to the Company. Any incorrectly charged costs identified shall be fully reimbursed by the Supplier without unreasonable delay

## **22. Business Ethics**

- 22.1 The Supplier is required to uphold the highest standards of business ethics for the duration of the Contract or Purchase Order and in performing the Work and will not otherwise do any act which would be in contravention of (i) the U.S. Foreign Corrupt Practices Act of 1977 (as amended), (ii) the UK's Bribery Act 2010, or (iii) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- 22.2 The Supplier warrants and represents that it has not and shall not, either directly or indirectly, been connected in any way with the giving or receiving of any fee, rebate, gift or entertainment or other payment or remuneration of significant value to or from any employee, director, officer or agent of the Company Group including, but not limited to, its Suppliers, its SubSuppliers, Government or public officials or any other persons which could be regarded as an improper inducement in connection with the Contract or applicable law
- 22.3 For the purposes of this Clause 22 "significant value" means:
  - (a) not more than could be construed as nominal value or customary to the individual receiving the gift; and
  - (b) of a value not exceeding one hundred and fifty pounds (£150) per person
- 22.4 The Supplier shall notify the Company immediately if it becomes aware or ought reasonably to have been aware of any violation of the provisions of Clause 22.2
- 22.5 Any breach by the Supplier of this Clause 22 shall be considered a material breach entitling the Company to terminate immediately without liability to the Supplier
- 22.6 The Supplier is required to ensure that any subcontracts entered into in relation to the Work contain like provisions to this Clause 22 and is required to implement measures to ensure compliance by its SubSuppliers with this Clause 22

## **23. Conflict of Interest**

- 23.1 Nothing in this Contract shall prevent the Supplier from carrying out Work for another Company provided that doing so does not either conflict or interfere with any duties or responsibilities owed by the Supplier to the Company under the Contract or Purchase Order
- 23.2 The Supplier shall not engage in any activity that is similar or in any way conflicts or competes with the activities or interests of the Company without obtaining express prior written permission from the Company which shall not be unreasonably withheld or delayed

## **24. Insider Information**

- 24.1 The Supplier must not use or distribute information regarding the Company or any clients of the Company. The Law prohibits any transactions of publicly listed shares or other financial instruments based on insider information
- 24.2 Insider information is defined by law and comprises information not publicly known which can affect the share price. For the Company examples of insider information can include financial numbers prior to public reporting, investment initiatives, drilling results of clients etc

## **25. Assignment**

- 25.1 The Company may assign the Contract including its rights and interests thereunder at any time without obtaining consent from the Supplier to do so
- 25.2 The Supplier may not assign the Contract including its rights and interests thereunder at any time without obtaining prior written consent from the Company. Such consent shall not be unreasonably withheld or delayed

## **26. General Provisions**

- 26.1 Headings used in this Contract are intended to be for convenience only and shall not form part of or be used in the construction or interpretation thereof
- 26.2 Words importing the singular shall include the plural and vice versa
- 26.3 No failure by either Party to enforce any or all of this Contract shall be interpreted as constituting a waiver of all or any part of this Contract unless otherwise expressly provided by that Party in writing
- 26.4 Any provision that is or later becomes prohibited, illegal or unenforceable in any applicable jurisdiction shall be ineffective to the extent of such prohibition, illegality or unenforceability without invalidating any remaining provisions thereof
- 26.5 Except as expressly provided the Company and Supplier shall retain all rights and remedies under the Contract that either Party may have against the other
- 26.6 The Supplier shall not be relieved from any liability or obligation under the Contract by any review, approval, authorisation or acknowledgement by the Company
- 26.7 Any exclusion or limitation of liability under the Contract shall also exclude or limit such liability arising under the contract, tort or otherwise at law
- 26.8 No variation of the Contract shall be effective unless it is reduced to writing and validly executed by both Parties
- 26.9 Each Party hereby agrees that it shall have no remedies in relation to any innocent or negligent statement, representation, assurance or warranty that is not contained within this Contract
- 26.10 The Contract takes precedence over any terms and conditions issued by the Supplier to the Company and the Parties agree that any terms and conditions contained within any documentation issued by the Supplier to the Company shall be rendered null and void. For the avoidance of doubt, the rights and obligations contained within Clauses 16, 17 and 19 shall remain in full force and effect notwithstanding the expiry or termination of the Contract
- 26.11 Nothing in the Contract is intended to or shall be deemed to establish or create any partnership or joint venture between the Parties, create any relationship of agent and principal or authorise either Party to make or enter into any commitments either for or on behalf of the other Party. Each Party confirms that it is acting on its own behalf and not for the benefit of the other Party
- 26.12 Save as otherwise provided under Clauses 16 and 17, the Parties agree that the Contract does not give rise to any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any terms of the Contract by any person who is not a member of the Supplier Group or Company Group
- 26.13 Any provision of this Contract that is either expressly or impliedly intended to come into force or continue in force on or after the expiry or termination of the Contract shall remain in full force and effect

## **27. Governing Law**

- 27.1 The Contract and any Purchase Order issued thereunder and any dispute or claim (including non – contractual disputes or claims) arising out of or in connection with their subject matter or formation shall be governed by and construed in accordance with English Law

## **28. Dispute Resolution**

- 28.1 Any dispute arising between the Parties in connection with or arising out of the Contract or the Work shall be resolved by means of the following procedure:
  - (a) the dispute shall initially be referred by means of a formal notice containing the information set out in Clause 28.4 and served properly to the representative of each Party who shall discuss the matter in dispute and make all reasonable efforts to reach an agreement
  - (b) if no agreement is reached under Clause 28.1(a) above within forty (40) calendar days of service of such formal notice the dispute shall be referred to an appropriate Senior Executive of each of the Parties who shall meet to discuss the matter in dispute within twenty (20) calendar days of expiry of the period referred to in this Clause 28.1(b)
- 28.2 In the absence of any agreement being reached within the periods referred to under Clause 28.1 above then either Party may, subject to the provisions of Clause 28.4, take appropriate action in the Courts to resolve the dispute at any time
- 28.3 It shall be a condition precedent to the referral of a dispute to the Courts under Clause 28.3 that the Party which seeks to commence proceedings in relation to the dispute has used reasonable endeavours to follow and complete the procedures set out in Clause 28.1 in advance of intending to launch Court proceedings



- 28.4 Where a claim or counter claim in connection with or arising out of the Contract or Purchase Order is made, the Party making the claim or counterclaim shall ensure that such claim or counterclaim contains, without limitation, the following information:
- (a) a clear summary of the facts on which the claim or counterclaim is made; and
  - (b) the basis on which the claim or counterclaim is made, including the principal contractual terms and/or statutory terms relied on; and
  - (c) the nature of the relief claimed; and
  - (d) where a claim or counterclaim has been made previously and rejected by the other Party and the Party making the claim or counterclaim is able to identify the reason(s) for such rejection, the ground of belief as to why the claim or counterclaim was wrongly rejected
- 28.5 Whilst any matter or matters are in dispute, the Supplier shall proceed with the execution and completion of the Work and both Parties shall comply with all provisions of the Contract and Purchase Order

## **29. Child Labour and Forced Labour**

- 29.1 The Supplier shall respect human rights and international labour standards. At no point shall it employ a worker below the age of fifteen (15) or below the age of eighteen (18) for any hazardous work. This restriction shall apply even if local laws allow younger individuals to carry out such work
- 29.2 Furthermore, all Personnel working for the Supplier must do so of their own free will and not be subject to slavery, human trafficking, physical or mental abuse
- 29.3 The Supplier shall oversee that its SubSuppliers do not engage in any activity that would violate or could potentially violate the provisions of this Clause 299
- 29.4 Any breach of this Clause 299 shall be deemed to be a material breach of contract and entitle the Company to terminate immediately with no liability to the Supplier

## **30. Environmental Management**

- 30.1 Before commencement of the Work the Supplier shall have in place a documented environmental management system based on the latest version of NS ISO 14001 or equivalent, documenting how the Supplier shall perform the Work and satisfy requirements. Such system shall be subject to review by the Company and the Company shall have the right to audit the Supplier's environmental management system, policies and procedures at any time during the Contract upon provision of advance reasonable notice to the Supplier
- 30.2 The Supplier is required to provide the Company with certificates documenting its compliance with the requirements of the standards
- 30.3 The Supplier is required to notify the Company immediately if it no longer continues to hold certification under these standards or in advance of any decision by it to no longer continue to hold such certification

## **31. Information Security**

- 31.1 Where a Supplier is carrying out Work that may be connected to the Company network, the Supplier is required to establish and maintain an Information Security Management System compliant with the requirements of ISO 27001:2013 or similar standard as from time to time being in force
- 31.2 The Supplier is required to act in full compliance with such a system and the Company shall have the right to audit the Supplier's compliance with the provisions of this Clause 31 at any time during the term of the Contract including requesting copies of relevant policies, procedures and documents from the Supplier
- 31.3 The Supplier is required to ensure that only authorised Personnel are permitted to use any remote access connection and that its computer systems and software are up to date and that their systems are free from malware. The Supplier is required to immediately report any incident that could affect the Company's systems including any potential incident that could have negatively affected or compromised the Company's systems
- 31.4 The Company reserves the right to monitor network traffic including traffic that originates to and from the Supplier for the purpose(s) of detecting fraud and/or anomalies. Any such monitoring will be performed according to applicable laws and regulations in place
- 31.5 Failure by the Supplier to comply with the provisions of this Clause 31 shall be considered to be a material breach of Contract thereby entitling the Company to terminate the Contract with no liability to the Supplier

**32. Data Protection**

- 32.1 Each Party shall at any times comply with its obligations under the Data Protection Act 2018 and General Data Protection Regulations (Regulation (EU) 2016/679) and any amendments or revision thereto from time to time being in force
- 32.2 Both Parties are required to implement appropriate technical and organisational measures to protect Personal Data from unauthorised or unlawful processing and against the accidental loss, destruction, damage, alteration or disclosure of Personal Data. Such measures shall be proportionate to the perceived harm and risk that could arise from any unauthorised or unlawful processing, accidental loss, destruction or damage to Personal Data as well as having regard to the nature of the Personal Data to be protected
- 32.3 Personal Data shall have the meaning accorded to it under the provisions of the Data Protection Act 2018 and under amending or subsequent legislation from time to time being in force
- 32.4 The Supplier shall ensure that any SubSuppliers have policies and procedures in place to ensure their compliance with the requirements of this Clause 32 and any applicable legislation
- 32.5 Any breach by the Supplier of this Clause 32 shall be deemed to be a material breach of Contract entitling the Company to terminate without any liability to the Supplier