



**GLOBAL  
TERMS AND CONDITIONS OF SALE, SERVICE AND RENTAL**

**THESE TERMS AND CONDITIONS CONTAINS WARRANTY DISCLAIMERS AND RELEASE AND INDEMNITY PROVISIONS  
WHICH ABSOLVE WEATHERFORD FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE.  
PLEASE READ THEM CAREFULLY.**

**Definitions.** In addition to terms defined elsewhere in these Terms and Conditions, the following terms shall have the following meanings, unless the context otherwise requires:

**“Affiliate” or “Affiliates”** means (in relation to either Party) any Person directly or indirectly controlled by, controlling, or under common control with that Party, including any of the foregoing which becomes an Affiliate after the date of an Order. **“Control”** means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. **“Controlling”** and **“controlled”** have correlative meanings.

**“Applicable Law”** means those laws (common or statutory), rules, regulations, codes, administrative and judicial orders and directives, rulings, interpretations, permit conditions and restrictions or similar requirements or actions of any federal, state, provincial, or local government, or any agency or executive or administrative body of any of the foregoing, in each case that govern or pertain, as of the date of the applicable Order, to (i) the Parties’ respective obligations under any Order; (ii) Weatherford’s performance and/or Customer’s use of Work; (iii) the health, safety and welfare of individuals working at or visiting any Work Site and/or (iv) protection of the environment at any Work Site.

**“Claim(s)”** means all claims (including those for property damage, environmental damage, personal injury, illness, disease, maintenance, cure, loss of consortium, loss of support, or death), damages, liabilities (including contractual liabilities), losses, demands, liens, encumbrances, government imposed fines and/or penalties, causes of action of any kind (including actions *in rem* or *in personam*), obligations, costs, judgments, interest and awards (including payment of reasonable attorneys’ fees and costs of litigation), of any kind or character, whether under judicial proceedings, administrative proceedings or otherwise, arising out of, or in any way relating to Weatherford’s performance of Work under any Order, and expressly including any claims that may be brought by (or losses suffered by) spouses, heirs, survivors, legal representatives, successors or assigns.

**“Customer”** means any Person for whom Weatherford performs Work pursuant to Orders.

**“Customer Group”** means, individually or in any combination, Customer, its Affiliates, its and/or their joint venturers and co-interest owners or other Persons with a financial interest in any well, rig, or vessel on or with respect to which Weatherford performs Work, its lessors and co-lessees, its contractors (other than members of Weatherford Group) and subcontractors (of any tier), its consultants, vendors, invitees, licensees, successors and/or assigns, and each of their respective officers, directors, managers, members, shareholders, employees, agents and representatives.

**“Dollars” or “\$”** means United States dollars with respect to all Work performed (and indemnities associated therewith), unless otherwise stated in the Order pertaining to the Work.

**“Indemnify” or “Indemnification”** means indemnify, defend and hold harmless, including the payment of all reasonable attorneys’ fees and costs associated therewith.

**“Intellectual Property”** means all of a Party’s copyrights, patents, trade secrets, embedded or standalone software or firmware or other intellectual property rights associated with or incorporated in any ideas, concepts, know-how, techniques, processes, reports, or works of authorship owned, developed or created by the Party, and expressly includes, as to Weatherford, any of the foregoing used or included in any Products, Services, Rental Equipment or Weatherford Tools.

**“Order(s)”** means the transactions between Weatherford and Customer for the performance of Work.

**“Person”** means any legal or governmental entity, and any natural person.

**“Price Book”** means the current Weatherford price book, price list, or rate sheet applicable to the Work covered by an Order.

**“Product(s)”** means any goods, equipment, materials, or other tangible items purchased by Customer from Weatherford pursuant to an Order (including any Products used or consumed by Weatherford in performing Services). The term Products does not mean or include (i) computer programs or software employed by Weatherford in performing Services or made available to Customer in connection with the Services, or (ii) proprietary computer program(s) or software of Weatherford, Customer’s purchase or licensed use of which shall be subject to the terms of a separate license agreement between the Parties.

**“Rental Equipment”** means any non-Weatherford operated tool(s), equipment, machinery or other device(s) leased or rented to Customer and includes any training provided by Weatherford with respect to the installation, use and/or operation thereof, as specified in an Order.

**“Service(s)”** means the work and services furnished by Weatherford to Customer pursuant to an Order. The term Services does not mean or include Products or Rental Equipment. The term Services also does not mean or include any deployment, installation, integration, hosting, monitoring, or other services provided

by Weatherford in connection with the sale or licensing to Customer of any computer program(s) or software, all of which shall be subject to and governed by the terms of a separate software license, software hosting, or other agreement entered into between the Parties.

**“Standard Oilfield Services Practices”** means those practices and procedures routinely employed by oilfield services companies conducting business in the area where the Services are to be performed when performing the same or similar services, under the same or similar conditions, in the same or similar locations.

**“Terms and Conditions”** means these Terms and Conditions of Sale, Service and Rental.

**“Third Party”** means any Person other than Customer Group or Weatherford Group.

**“Ultra-hazardous Work”** means the performance of Services to control a wild well or other Services exposing Weatherford’s personnel and/or equipment to extreme well pressures, temperatures or other conditions not reasonably anticipated at the time the applicable Order was entered into, or the performance of Services at any Work Site in an area or location subject to war, civil unrest or political conflict, or where conditions would otherwise unreasonably jeopardizes the health or safety of Weatherford’s personnel and/or equipment.

**“Weatherford”** means and includes Weatherford Worldwide Holdings GmbH and each of its Affiliates from time-to-time providing Work to or on behalf of Customer and identified as “Weatherford” in the Order pertaining to such Work.

**“Weatherford Facility”** means the Weatherford manufacturing plant, stocking point or other location at or from which any Products or Rental Equipment are delivered to Customer, as specified in Orders.

**“Weatherford Group”** means, individually or in any combination, Weatherford and its Affiliates and each of their respective officers, directors, employees, contractors, subcontractors, consultants, vendors, agents, representatives, invitees, licensees, successors and/or assigns.

**“Weatherford Tools”** means tools or equipment used or employed by Weatherford in performing Services. The term Weatherford Tools does not mean or include Rental Equipment.

**“Wild Well”** means a well from which the escape of oil or gas is not intended and cannot be controlled by equipment used in normal drilling practice.

**“Work”** means Services rendered, Products sold, and/or Rental Equipment provided by Weatherford to Customer pursuant to Orders. As a result, terms such as “perform Work,” “performance of the Work” or “Work performed” shall mean and include Weatherford’s performance of Services, sale and delivery of Products, and/or furnishing of Rental Equipment to or for Customer.

**“Work Site”** means the facility, site or location specified in an Order at which Weatherford is to perform Services or to which it is to deliver Products or furnish Rental Equipment.

**General Terms.** As used in these Terms and Conditions, unless expressly stated otherwise, references to (a) “includes” or “including” means “including, without limitation” or “including, but not limited to”; (b) “and/or” means “either or both”; (c) “or” means “either” and (d) a “party” or “Party” mean Customer or Weatherford and to the “parties” or “Parties” mean Customer and Weatherford. Unless otherwise specified, all references in these Terms and Conditions to Articles or Sections are deemed references to the corresponding Articles or Sections in these Terms and Conditions.

## GENERAL TERMS AND CONDITIONS

### 1. **ORDERS; CHANGE ORDERS; CREDIT; PAYMENT; TAXES**

1.1 **Orders.** From time to time, at the request of Customer, Weatherford shall perform Work for Customer as specified in Orders. The Parties are free to issue/accept Orders in any written form, including purchase orders, work orders, statements of work, emails or other written communication between the Parties, regardless of format, or via oral Orders, but, unless the Parties have entered into a separate, written, master services agreement, supply agreement, equipment rental agreement, or other contract which governs the Work, (a) each Order shall be subject to these Terms and Conditions, which shall control and govern all transactions between the Parties with respect to Work performed by Weatherford, whether or not these Terms and Conditions are referred to in the Order; (b) no other, additional or different terms and conditions in any written or oral communication with respect to a transaction for Work (including the terms and conditions in any Customer request for proposal, request for quote, request for bid, purchase order, or similar document) shall vary or amend these Terms and Conditions; and (c) Orders submitted by Customer orally or via email shall be followed by a purchase order or other written confirmation of the Order within seven (7) days from the date of the oral or email order, failing which Weatherford shall have no obligation to perform Work thereunder. In the event of a conflict between these Terms and Conditions and the terms in any Order, these Terms and Conditions shall control, unless the Order (i) makes specific reference to and identifies (by Section and/or subsection number) to the provision(s) of these Terms and Conditions to be modified, (ii) explicitly states the intention of the Parties to effect the modification thereof, and (iii) is executed on behalf of each Party by an authorized officer of the Party. Such modifications shall be effective for that Order only, and no agreement to modify these Terms and Conditions with respect to any particular Order shall have the effect of varying or amending those Terms and Conditions (or any others herein) with respect to any other or subsequent Order. Each Order shall constitute a separate agreement between the Parties. Only the Weatherford legal entity performing Work under an Order shall have any liability or responsibility with respect to such Work.

Customer must advise Weatherford, in advance, if the Work to be performed under any Order involves the performance of services or the provision of goods governed by the terms of a state, federal or other governmental contract or, if the Work is to be performed in the United States, requiring compliance with the Federal Acquisition Regulations.

Each Order shall constitute a separate agreement between the parties to the Order. Only the Weatherford legal entity performing Work under an Order shall have any liability or responsibility with respect to such Work. Customer shall be jointly and severally liable with each/any of its Affiliates for which Weatherford performs Work for payment with respect to such Work.

- 1.2 **Cancellation of Orders.** Subject to the further provisions of this Section 1.2, Customer may cancel any Order, in whole or in part, prior to being notified by Weatherford that the Products covered thereby are ready for delivery or the Services to be performed thereunder are complete by providing Weatherford with a written notice of cancellation. With respect to the cancellation of an Order for:
- (a) Products of Weatherford's or a Third Party vendor's standard manufacture, Customer shall pay or reimburse Weatherford the greater of (i) a cancellation fee of twenty-five percent (25%) of the Price of the cancelled Products, or (ii) the vendor termination fees or charges incurred by Weatherford with respect to any cancelled Order
  - (b) Products which have been or are being specially manufactured or modified to Customer's specifications, Customer shall pay or reimburse Weatherford (i) the costs and fees described in subsection (a) above, and (ii) the full, landed cost of any raw materials or component parts purchased for those Product(s), after receipt of which Weatherford shall deliver the raw materials and component parts to Customer, at Customer's expense, without warranty of any kind.
  - (c) Services, Customer shall pay or reimburse Weatherford for (i) all Services performed prior to the date Weatherford receives the notice of cancellation, (ii) all costs incurred by Weatherford which would not have been incurred, but for the cancellation, including vendor or subcontractor termination fees or charges; and (iii) any mobilization and demobilization costs incurred by Weatherford.
- 1.3 **Change Orders.** Any Customer request for changes in the scope and/or scheduling of the Work to be provided under an Order must be given in the form of a written change order ("Change Order") whenever possible, but may be given orally to Weatherford's Work Site supervisor when Work Site or other conditions demand an immediate response (and Weatherford may rely on the authority of any Customer representative who makes such oral requests). Upon Weatherford's receipt of a Change Order, the Parties shall negotiate in good faith the terms to be included therein. Each Change Order shall reference the original Order and shall specify (i) the changes in the scope or timing of the Work to be provided under the affected Order, and (ii) the adjustment (if any) to be made to the fees and other amounts due Weatherford in connection therewith, and shall be executed on behalf of each Party by an authorized officer. Upon its receipt of an oral request from Customer to change the scope and/or scheduling of Work under any Order, Weatherford shall proceed with same (unless such changes would require Weatherford to perform Ultra-hazardous Work) and the changes shall be documented in a mutually acceptable Change Order within seven (7) days of Weatherford's receipt of the oral request, failing which Weatherford shall not be required to continue with any requested changes to the Work, and may suspend the Work unless and until an appropriate Change Order has been executed. If the Parties are unable to agree upon or fail to timely execute a Change Order with respect to orally requested changes to the Work, Weatherford shall be entitled to permanently suspend the Work and cancel the affected Order, and Customer shall pay Weatherford for all Work performed prior to the date of cancellation, as well as any applicable mobilization or demobilization charges or other costs incurred by Weatherford.
- 1.4 **Unexpected Conditions.** If after commencing the performance of Services at any Work Site Weatherford (a) encounters unexpected Work Site conditions, (b) determines that data or information provided by Customer was inaccurate or insufficient for the safe and efficient performance of the Services, or (c) determines, in its sole discretion, that the continued performance thereof will or may require the performance of Ultra-hazardous Work, as a result of which Weatherford's cost of, or the time, equipment or personnel required for, performance of any part of the Services under the applicable Order will or might be increased (whether by the need for different or additional tools, materials or personnel), Weatherford shall may suspend its performance of the Services, without liability to Customer Group, and propose an equitable adjustment in price and time of performance for the affected Services, and Weatherford shall not be required to proceed with same unless and until the Order has been modified accordingly in a written Change Order.
- 1.5 **Credit.** Weatherford's acceptance of any Order is subject to Customer establishing and maintaining credit satisfactory to Weatherford. Weatherford reserves the right to approve or reject the credit of any Customer and to establish credit terms for each Customer. Weatherford can terminate any Order or modify its credit terms at any time prior to the performance of Work without further liability if Weatherford's assessment of Customer's financial condition or creditworthiness changes. Weatherford reserves the right, prior to performing any Work, to require that Customer furnish security for the performance of its obligations under any Order. Weatherford may suspend any Work, without penalty or liability to Customer, if Customer's financial condition changes and Customer fails to provide, upon request, adequate assurances of its performance.
- 1.6 **Invoicing and Payment; Parent Company Guaranty.** Unless Weatherford's Credit Department has established other terms of payment, Customer shall pay the price(s), rates and other amounts stated on each invoice submitted by Weatherford for Work performed within thirty (30) days of its receipt of Weatherford's invoice. Customer will pay Weatherford for the Work whether or not the desired results are achieved. To the extent allowed by Applicable Law, invoices not paid in a timely manner will bear interest at the lesser of (i) one percent (1%) per month, or (ii) the highest rate allowed by Applicable Law until paid in full. Unless otherwise specified in the Order, all payments shall be made in U.S. Dollars and delivered to the address specified on Weatherford's invoice. All currency exchange rate changes, duties, taxes, etc. shall be paid by Customer.

If Customer disputes any invoice or part thereof, it may withhold payment of the disputed amount(s), but shall nonetheless timely pay all undisputed amounts and promptly notify Weatherford of the disputed amounts or items, specifying the invoice date and number, the amount of the disputed items or charges, and the Products, Services or Rental Equipment involved. The parties will work in good faith to promptly resolve disputed amounts. Invoices not disputed by Customer within thirty (30) days of the invoice date shall be deemed accurate and Customer shall not thereafter be entitled to dispute any amount(s) reflected thereon, except upon audit as described below.

If payment of undisputed amounts is not timely received, or Weatherford determines, in its reasonable discretion, that Customer's financial condition or creditworthiness has become impaired, Weatherford shall be entitled, at its option, to (i) require payment in advance for Work yet to be performed under any Order, (ii) reduce Customer's payment terms under any Order to net ten (10) days of the invoice date, (iii) revoke any discounts available with respect to Work performed or to be performed under any Order (including discounts granted with respect to Work covered by any outstanding invoice), (iv) require that Customer furnish security with respect to its obligations under any Order, and/or (v) immediately suspend its performance of Work under any Order, or terminate any Order, without penalty or liability, and Customer shall indemnify Weatherford Group from and against any and all Claims resulting from or arising out of such suspension or termination. Customer will pay all of Weatherford's costs, including attorney's fees and court costs, incurred in connection with the collection of past due amounts.

Upon request, Customer shall provide a parent company guarantee, in a form acceptable to Weatherford, prior to Weatherford's performance of any Work for a Customer Affiliate. If a parent company guarantee is required of Customer, Weatherford shall have no obligation to perform Work for the Customer's Affiliate unless and until Weatherford receive same.

- 1.7 **Audit.** Weatherford shall maintain complete accounting records in such detail as to permit verification of charges made to Customer for Work (including Third Party charges reimbursed by Customer) ("Records"). Records shall not include payroll, compensation, or any other personnel record or personally identifiable information regarding Weatherford's employees or consultants. Weatherford shall keep all Records in accordance with commonly accepted accounting and oilfield industry practices and retain such Records for a period of two (2) years following Weatherford's invoicing for the Work. Customer and any Qualified Auditor (as hereinafter defined) selected by Customer shall have the right, during regular business hours, to inspect, copy, and audit the Records of Weatherford pertaining to the Work performed by Weatherford in order to verify the accuracy of any invoice or payment; provided, however, that Weatherford shall have the right to exclude from the Records subject to inspection (i) any trade secrets or legally privileged documents and information, (ii) any information with respect to which Weatherford is under an independent obligation of confidentiality to any Third Party, and (iii) data or information with respect to the calculation of Weatherford's profit margin and overhead rates. The audit shall be conducted using generally recognized audit procedures and methodologies agreed upon by the Parties prior to the commencement of the audit, and if the audit is conducted for Customer by a Third Party auditor, such auditor shall be required to execute a non-disclosure agreement acceptable to Weatherford prior to commencement of the audit. For the purposes of this Section, the term "Qualified Auditor" shall mean an impartial, independent, certified public accounting firm, reasonably satisfactory to Weatherford, no portion of whose fees for conducting the audit shall be (i) based upon the results of the audit, (ii) calculated on the basis of the amounts (if any) found to be due Customer, or (iii) determined by any other contingency. Customer shall provide reasonable advance, written notice of its intent to audit the Records of Weatherford, and shall not be entitled to conduct an audit of Weatherford's Records more than once in any twelve (12) month period. Customer shall bear all costs and expenses of any audit it conducts.

If as a result of an audit conducted by Customer it is determined that any amount previously paid to Weatherford was an overcharge on Weatherford's part, the amount of such overcharge will be credited back to Customer, provided Customer's account with Weatherford is current. If Customer's account with Weatherford is sixty (60) days or more past due, Weatherford will offset against and deduct all such amounts from any past due amounts owed to Weatherford. If Customer's account is current, Weatherford will pay Customer any amounts due it within forty-five (45) days after the audit is settled.

If as a result of an audit conducted by Customer it is determined that Customer was undercharged by Weatherford, the amount of the undercharge will be considered a counter-claim from Weatherford and will be (i) deducted from any amounts determined by the audit to be due Customer, or (ii) if no amounts are determined to be due Customer (or the amount due Customer is less than the undercharged amount), promptly paid, net, to Weatherford.

No claim may be made by Customer with respect to amounts paid to Weatherford for Work more than two (2) years after Customer has been invoiced for that Work.

1.8 **Taxes.**

- (a) Weatherford and Customer are responsible for all taxes legally imposed upon their respective businesses, including taxes imposed upon their respective income, personnel or property. Such taxes are for Weatherford's or Customer's account, as applicable, and each Party shall Indemnify the other from any liability with respect thereto.
- (b) Unless otherwise stated in the Order, prices and rates quoted by Weatherford and other charges payable by Customer are exclusive of Taxes and Duties (as those terms are defined below). If not included in the price or rates, such Taxes and Duties shall be shown as a separate line item on the invoices submitted by Weatherford, are in addition to the prices or rates, and shall be for Customer's account. The term "Taxes and Duties" shall mean all fees or charges imposed, assessed or levied by any governmental department, agency, or taxing authority (a "Taxing Authority") with respect to the Work performed by Weatherford and shall include property taxes, sales and use taxes, value added taxes, goods and services taxes and excise taxes or other charges of a similar nature, customs or other duties, customs agent fees and other such charges and fees.
- (c) If Customer is required or instructed by a Taxing Authority to withhold from any payments due Weatherford to satisfy any obligation of Weatherford for Taxes and/or Duties due, Customer shall give Weatherford written notice that Customer will withhold as soon as reasonably possible after learning or being informed of its obligation to do so. Customer agrees to pay the amounts so withheld over to the Taxing Authority, on behalf of Weatherford, on a timely basis, and to provide to Weatherford, promptly after receiving same, such original tax receipts or other evidence of payment as may have been issued to Customer by such Taxing Authority. Customer shall not withhold from any payments due Weatherford if Weatherford produces documentary evidence, acceptable to the applicable Taxing Authority, that Weatherford is not subject to the withholding of such Taxes and Duties. Customer shall reimburse Weatherford for any Taxes and Duties withheld for which tax receipts or other evidence substantiating the remittance of payment to the appropriate Taxing Authority are not provided to Weatherford.
- (d) Each Party shall be liable for and indemnify the other Party from and against all Claims resulting from the failure of the indemnifying Party to pay any of the Taxes or Duties for which the indemnifying Party is responsible under this Section 1.8.
- (e) Notwithstanding the foregoing, Weatherford's liability for any liability of Customer in respect of Taxes and Duties is subject to the following: If Customer receives any demand or request for payment of any Taxes and Duties for which it would seek indemnity or reimbursement from Weatherford, Customer shall promptly notify Weatherford, in writing, of such demand or request so that Weatherford may, if it chooses to do so, appeal, protest or litigate its responsibility therefor in an appropriate venue. At Weatherford's written request, and at Weatherford's cost, Customer shall initiate an appeal, protest or litigation in Customer's own name, if Customer is the only party that can legally initiate this appeal, protest or litigation. Customer shall allow Weatherford to participate in the response to such demand or request and Customer shall use commercially reasonable efforts to appeal against such demand or request. If Customer is required to pay any Taxes and Duties in order to pursue an appeal, protest or litigation, Weatherford shall reimburse Customer for the amount(s) paid promptly upon receipt of a written request therefore from Customer. Weatherford shall fully Indemnify Customer from and against, and shall upon demand reimburse Customer for, any

finances, penalties, interest or other charges levied or assessed against or imposed upon Customer in connection with or a consequence of its initiation of or participation in any appeal, protest or litigation initiated at Weatherford's request.

(f) The provisions of this Section 1.8 shall continue after the expiration or termination of any Order or the completion of Work thereunder.

- 1.9 **No Permanent Establishment.** Weatherford shall not be required to perform any Work under any Order if the performance thereof would constitute the creation of a permanent establishment or otherwise subject Weatherford to any Taxes or Duties (or to the jurisdiction of any Taxing Authority) in any jurisdiction where Weatherford is not registered or authorized to do business (a "Nonqualified Jurisdiction"). The performance of any Work that would create such liability shall, at Weatherford's sole discretion, (i) be assigned and/or subcontracted by Weatherford to an Affiliate that is so registered (if any) or (ii) removed from the scope of Work to be provided by Weatherford under the applicable Order, without any further liability to Customer and without constituting a breach by Weatherford. Further, if an employee of Weatherford becomes subject to payroll taxes, or the like, in a Nonqualified Jurisdiction, Customer shall be solely responsible for payment of Weatherford's share of such payroll taxes. Customer shall be solely responsible for any filing requirement(s) associated with and the remittance of Weatherford's share of the payroll (or similar) taxes to the appropriate Taxing Authority in a timely manner, and shall Indemnify Weatherford against any Claims or liabilities resulting from Weatherford's failure to do so.

## 2. PRICING; SHIPMENT; TITLE

- 2.1 **Pricing.** Unless otherwise specified in the Order applicable thereto, prices for Products, rates for personnel performing Services, and rental rates for Rental Equipment shall be those stated in the applicable Weatherford Price Book at the time the Order is entered into. Price Book prices are subject to change at any time, without notice. When prices are quoted by Weatherford, same shall be valid for thirty (30) days only, unless otherwise noted in the quotation. Not all Products listed in Weatherford's Price Book are available at every Weatherford location.

All Product pricing is based on Weatherford's standard procedures and specifications for manufacturing and testing the Product. Cost of additional labor, materials or outside services for Customer-requested modification of such procedures, specifications and/or testing will be charged to Customer at Weatherford's cost (including direct and indirect cost, such as engineering, labor, overhead and shop supplies) at a minimum cost plus thirty percent (30%). Product prices do not include the cost of personnel or equipment required to install the Product. Upon request, Weatherford will provide such personnel and equipment at its prevailing rates at the time of installation.

- 2.2 **Shipment.** Unless otherwise specified in the Order with respect thereto, Prices for Products sold to Customer are FCA Weatherford's Facility (Incoterms 2010). Customer will arrange for shipping and pay all shipment costs. If Customer requests Weatherford to arrange for Product shipment or does not furnish Weatherford with shipping instructions prior to the time Products are ready for shipment, Weatherford will, at its option, either (i) ship the Products to Customer, at Customer's risk, via a commercial carrier of Weatherford's choosing, and charge Customer at Weatherford's cost at a minimum of cost plus twenty percent (20%), or (ii) ship the Products via a Weatherford vehicle, at prevailing Weatherford mileage rates.

- 2.3 **Title and Risk of Loss.** Title and risk of loss for Products sold to Customer will pass to Customer upon delivery of the Products, FCA Weatherford's Facility (Incoterms 2010).

## 3. WARRANTIES AND REMEDIES

- 3.1 **Weatherford Product Warranties.** Weatherford warrants to Customer that all Products of its own manufacture ("Weatherford Products") supplied pursuant to an Order (i) shall conform in all respects to Weatherford's published Product specifications (and to any additional Customer specifications stipulated and agreed to in the Order therefore); and (ii) shall be and remain free of defects in materials and workmanship until the earlier of (a) one (1) year from the date of their delivery to Customer, or (b) as applicable, the date same are run or installed downhole below the rotary table. Except with respect to specially manufactured Products, Weatherford reserves the right to make substitutions or design and construction modifications with respect to any Products, provided those substitutions changes do not affect the performance of the Products. Substituted Products shall conform to the foregoing warranties.

**Unless otherwise expressly stated in the Order with respect to a particular Weatherford Product, the foregoing Weatherford Product warranties are the sole and exclusive warranties made by Weatherford with respect to Weatherford Products, and WEATHERFORD HEREBY EXPRESSLY DISCLAIMS ANY AND ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE OR PURPOSE.**

**The foregoing Weatherford Product warranties do not apply to (i) Weatherford Products that have been modified after their delivery; (ii) Weatherford Products subjected to improper handling, storage, installation, operation or maintenance; including use of unauthorized replacement parts or operation under more severe conditions than those for which the Product is rated; (iii) Weatherford Products (or any component thereof) requiring replacement because of natural wear and tear; (iv) the design of Weatherford Products which were modified according to specification furnished by Customer; or (v) Customer's failure to implement any update, upgrade or adjustment to the Weatherford Product (or any component thereof) recommended by Weatherford and furnished by it without cost to Customer.**

- 3.2 **Remedies for Breach of Weatherford Product Warranties.** Weatherford shall, at its sole cost and expense, repair or replace with products of like or comparable quality any Weatherford Product not conforming to the Weatherford Product warranties specified above; *provided* Customer has notified Weatherford of the non-conformity within the one year warranty period specified in Section 3.1 above (or, if applicable, before same are run downhole below the rotary table). **The foregoing remedies of repair or replacement shall be the sole and exclusive obligations and responsibilities of Weatherford (and the sole and exclusive remedies of Customer) with respect to Weatherford Products not conforming to the Product warranties specified in Section 3.1 above. Weatherford's responsibility to repair or replace Weatherford Products shall not exceed the price of the Products or extend to any ancillary or related costs (such as installation or removal) not included in the original Order with respect to such Products.**

- 3.3 **Third-Party Product Warranties.** Customer acknowledges that certain Products to be provided by Weatherford may be secured by Weatherford from Third Parties ("Third-Party Products"). **With respect to Third-Party Products, Weatherford warrants that same will be new (unless otherwise specified**



in the Order), but makes no other representations or warranties whatsoever with respect thereto, hereby disclaiming any and all other warranties, express or implied. Weatherford shall pass through to Customer any Third-Party Product warranties provided by the Third-Party Product's manufacturer, to the extent same are transferable, and shall provide Customer reasonable assistance in the pursuit and enforcement of all warranty claims with respect to Third-Party Products.

- 3.4 **Service Warranties.** Weatherford does not guarantee the results of the Services it performs or represent that those Services will achieve Customer's intended objectives, but does warrants to Customer that all Services performed by Weatherford (i) shall be performed in a good and workmanlike manner, with reasonable diligence, using competent workmen and supervisors; (ii) shall be performed in accordance with the specifications (if any) detailed in the Order therefore; and (iii) shall be performed in accordance with Standard Oilfield Services Industry Practices and the requirements of any Applicable Laws.
- 3.5 **Remedies for Breach of Service Warranties.** Weatherford shall, at its sole cost and expense, reperform any Services (or portion thereof) not conforming to the Service warranties specified above; *provided* Customer has notified Weatherford of the non-conformity (i) with respect to wireline or tubular running Services, before Weatherford leaves the Work Site, and (ii) with respect to all other Services, within thirty (30) days of the date of the completion of the Services with respect to which the warranty claim is made. If the Parties mutually determine that Weatherford's reperformance of the Nonconforming Services cannot or will not provide a commercially viable remedy, Weatherford shall, at its option, either refund or credit in full the Price paid by Customer for the Nonconforming Services. **The foregoing remedies of reperformance of Nonconforming Services, or the refund or credit of the Price paid therefore, shall be the sole and exclusive obligations and responsibilities of Weatherford (and the sole and exclusive remedies of Customer) with respect to Nonconforming Services.**
- 3.6 **Analytical Services.** If the Services performed by Weatherford require or involve (a) predicting results to be obtained from the Work; (b) estimating the type(s) or amount(s) of Products or Services that will be required in connection with the Work; (c) the interpretation of test or other data (including data gathered or generated by Weatherford's tools and equipment); or (d) the expression of opinions or the making of recommendations, either written or oral, based upon data, samples or information provided by Customer Group or Third Parties, or upon inferences from measurements and empirical relationships and assumptions (collectively "Analytical Services"), Weatherford will give Customer the benefit of Weatherford's best judgment based on its experience and will perform all such Analytical Services in accordance with Standard Oilfield Services Industry Practices. **Weatherford makes no other warranty with respect to the Analytical Services, hereby disclaiming any warranty as to the adequacy, sufficiency or completeness of any data, reports, estimates, analyses, interpretations, modeling, predictions, opinions or recommendations provided to Customer in connection with the Analytical Services, all of which shall be considered advisory only. Customer assumes all responsibility for any decision made by Customer Group based on Weatherford's Analytical Services, including any drilling, well treatment, production or other financial decision, and hereby waives and releases Weatherford Group from any liability with respect to Claims relating thereto.**
- 3.7 **Extraordinary Drilling Operations.** If the Services performed by Weatherford involve directional drilling, and in the course of performing those Services Weatherford determines that the continuation thereof will or might, in light of unanticipated subsurface or other Work Site conditions encountered by Weatherford after the commencement thereof, require the performance of Extraordinary Drilling Operations (as defined below), Weatherford shall promptly notify Customer thereof and may suspend the Work unless and until Customer provides Weatherford with written instructions to nonetheless proceed with the Work (a "Notice to Proceed") and, if requested by Weatherford, executes an appropriate Change Order detailing any changes in the scope or timing of the Work to be provided under the affected Order, and the adjustment (if any) to be made to the fees and other amounts due Weatherford in connection with its performance of the Extraordinary Drilling Operations. For purposes of the foregoing, the term "Extraordinary Drilling Operations" means and includes the conduct of directional drilling Services in conflict with or contrary to Standard Oilfield Services Industry Practices and/or Weatherford's safe drilling policies and procedures, notwithstanding the possibility that doing so will or might involve an increased risk of (i) reliance upon inaccurate drilling data (including wellbore positional error, inaccurate hole-direction measurements, well path error or other faulty well survey data) leading to well collision or other catastrophic loss; and/or (ii) injury, death or damage to Weatherford's personnel and/or equipment (including damage resulting from the use of Weatherford's drilling or other downhole tools and equipment beyond their designed operating parameters). **Customer's issuance of a Notice to Proceed shall constitute Customer's acknowledgement that Weatherford makes no warranties with respect to the Extraordinary Drilling Operations and its agreement to Indemnify Weatherford from and against any and all Claims arising out of or with respect thereto, including any Claims arising out of, resulting from, or relating to (i) bodily injury, disease, or death or (ii) property damage or loss suffered by any Weatherford Group member or Third Party.** Notwithstanding the foregoing, Weatherford shall not be obligated to proceed with any Extraordinary Drilling Operations if, in Weatherford's sole opinion, the performance thereof would require Weatherford to perform Ultra-hazardous Work.
- 3.8 **Training and Manuals.**
- (a) To the extent Weatherford provides, either with or without charge to Customer, any training or instruction with respect to the use, operation, maintenance or installation of any Products or Rental Equipment (collectively "Training"), Weatherford will give Customer the benefit of its best judgment based on its experience as an oilfield equipment and services provider, **but makes no representation or warranty whatsoever, express or implied, with respect to the efficacy, adequacy, suitability or fitness of its Training to meet or satisfy the needs of Customer (or those of its employees or other contractors receiving Training) in any future event or circumstance. Customer assumes all responsibility for any decision made by Customer based on Weatherford's Training, including any drilling, well treatment, production or other financial decision and hereby waives and releases Weatherford Group from any liability with respect to Claims relating thereto.**
- (b) Manuals, guidelines or other written materials with respect to the use, operation, maintenance or installation of any Products or Rental Equipment (each a "Manual") provided by Weatherford are intended for use solely by persons using the Products or Rental Equipment described therein. Persons using the Product or Rental Equipment must read the Manual, in its entirety, before using or operating the Product or Rental Equipment. Weatherford has attempted to include in its Manuals all information necessary for the proper use and operation of the Products or Rental Equipment described therein, **but make no representation or warranty as to the adequacy, accuracy, sufficiency or completeness of the information, instructions or guidance therein contained.**

3.9 **Data Security and Storage.** Weatherford does not encrypt its electronic communications or the data and information it collects, uses and generates in the performance of Work and does not warrant against the accidental or intentional interception by Third Parties of any data or information transmitted between the Parties by email or other electronic means or against the corruption thereof during transmission. **Weatherford makes no representation or warranty whatsoever as to the sufficiency of its cyber-security measures, standards, policies or procedures to preserve and protect from unauthorized access any electronic or digital data or information pertaining to the Work it performs.** Unless otherwise specified in the Order, Weatherford also does not warrant or guarantee the length of time of storage of any electronic or digital data or information pertaining to the Work.

3.10 **Permits and Licenses.** Unless expressly stated in the applicable Order to be the responsibility of Weatherford, Customer shall obtain all permits, licenses, easements, rights of way and/or other authorizations (collectively "Authorizations") as may be necessary in connection with the Work to be performed by Weatherford under an Order, and shall advise Weatherford as to any areas for which Authorizations have been obtained, and the pertinent conditions of such Authorizations and special conditions thereof, if any. Weatherford shall not be required to perform Work in any area requiring Authorizations until Customer has notified Weatherford that Customer has obtained such Authorizations as it deems necessary and that it is acceptable for Weatherford to proceed with the Work. Customer shall Indemnify Weatherford Group from and against any and all Claims relating to Customer's failure to obtain any necessary Authorizations.

#### **4. INDEMNITY; RELEASE; WAIVER**

4.1 **Weatherford Release and Indemnities.** Except as provided in Articles 5 and 6 below, Weatherford agrees to Indemnify Customer Group from and against any and all Claims arising out of, resulting from, or relating to (i) bodily injury, disease, or death or (ii) damage to or loss of property suffered by any Weatherford Group member arising out of or in connection with the Work performed by any member of Weatherford Group under any Order.

4.2 **Customer Release and Indemnities.** Customer agrees to Indemnify Weatherford Group from and against any and all Claims arising out of, resulting from, or relating to (i) bodily injury, disease, or death or (ii) damage to or loss of property suffered by any Customer Group member arising out of or in connection with the Work performed by any member of Weatherford under any Order.

4.3 **Catastrophic Losses.** Notwithstanding any provision of these Terms and Conditions to the contrary, Customer shall Indemnify Weatherford Group from and against any and all Claims relating to or arising from:

- (a) any blowout, fire, explosion or other catastrophic event resulting in a Wild Well, or any fire or explosion at the Work Site, and all costs associated with any of the foregoing events, including (i) the cost of regaining control of a Wild Well, (ii) damages caused to a rig, a platform, a vessel, a pipeline, any subsea structure, or any other oil and gas infrastructure item, (iii) any downtime or remediation/recovery time, (iv) any costs of clean up or remediation with respect to any contamination or pollution, and/or (v) the costs of removing debris or wreckage;
- (b) loss or damage to any reservoir, formation, or well bore, and any other subsurface and subsea loss or damage, and/or the cost of redrilling a well or fishing; and/or
- (c) any loss, damage, injury and/ or death suffered or sustained by any Third Party resulting from any of the events described in subsections (a) or (b) above, including loss of, or damage to, oil or gas production facilities, pipelines, flow lines, subsea structures, or any other Third Party property, installations, rigs, platforms or vessels.

4.4 **Pollution.**

- (a) Except as stated in Section 4.3 above, Weatherford shall assume all responsibility for and shall Indemnify Customer Group from and against all Claims relating to pollution or contamination which originates from Weatherford's Tools above the surface of the earth or water while such Weatherford Tools as in Weatherford's sole possession or control, including costs of clean up or remediation associated therewith.
- (b) Except as stated in Section 4.4(a) above, Customer shall assume all responsibility for and shall Indemnify Weatherford Group from and against all other Claims relating to pollution or contamination, whether above or below the surface of the earth or water, occurring during or in connection with Weatherford's performance of Work, including cost of cleanup or remediation associated therewith.

4.5 **Radioactive Sources.** Notwithstanding anything to the contrary contained in these Terms and Conditions, if a Weatherford Tool containing a radioactive source becomes lost or lodges in any well, or becomes lost (i) while being transported on a conveyance provided, hired, or arranged for by any member of Customer Group, (ii) during loading or unloading operations performed by Customer Group at an offshore drilling or production facility, or (iii) while otherwise in the care, custody and control of Customer Group, Customer shall be responsible for, and bear all costs of, retrieval, and if necessary, abandonment of such source in place. For the avoidance of doubt for retrieval or abandonment efforts performed in the United States of America, Customer shall meet all requirements of 10 CFR 39.15(a) concerning such retrieval and, if necessary, abandonment of a Weatherford Tool containing a radioactive source. For the further avoidance of doubt, when performing retrieval or abandonment efforts outside of the United States of America, Customer shall comply with all Applicable Laws associated with such retrieval and, if necessary, abandonment of a Weatherford Tool, except to the extent such Applicable Laws do not permit or forbid Weatherford, as owner or licensee of the radioactive source therein, to transfer or delegate the performance of applicable regulatory obligations to another party. Weatherford shall be entitled to monitor, at its expense, all retrieval and/or abandonment efforts undertaken by Customer hereunder. Customer shall Indemnify Weatherford Group from and against any and all Claims arising out of Customer's failure to comply with the provisions of this Section.

4.6 **Third Party Claims.** Subject only to the provisions of Sections 4.3(c) and 4.4(b) above, each Party shall, to the full extent of its liability therefore under Applicable Law, be and remain responsible for, and shall Indemnify the other Party and all members of its Group from and against, any and all Claims resulting from or with respect to (i) bodily injury, disease, or death suffered by any Third Party, or (ii) damage to or loss of property suffered or sustained by any Third Party.

#### 4.7 Consequential Damages Waiver.

- (a) Notwithstanding any provision of these Terms and Conditions to the contrary, neither Party shall be liable to the other Party (or any member of the other Party's Group) for, and each Party hereby waives and releases the other Party from and against, any and all Claims for Consequential Damages (as hereinafter defined). For purposes of the foregoing, the term "Consequential Damages" shall mean and include (i) all indirect, incidental, special, punitive, exemplary, or consequential damages or consequential losses of any nature whatsoever (whether or not foreseeable), and (ii) damages or losses, whether direct or indirect, for lost product or production, lost profit or revenue, loss of data, reservoir loss or damage, lost business, loss of or inability to use property and equipment, losses from business interruptions, losses resulting from failure to meet other contractual commitments or deadlines, or losses from downtime of rigs, vessels or facilities.
- (b) Without negating the preceding general exclusion of Consequential Damages, the Parties expressly agree that Claims with respect to the following shall NOT be considered Consequential Damages and are recoverable between the Parties: (i) Weatherford claims with respect to amounts due it for Work or Customer's cancellation of an Order; (ii) damages for breaches of a Party's obligations with respect to the Confidential Information (as hereinafter defined) or Intellectual Property of the other Party, or (iii) Third Party Claims with respect to which a Party is entitled to indemnification under these Terms and Conditions.

#### 4.8 Express Negligence. SUBJECT ONLY TO LIMITATIONS IMPOSED BY APPLICABLE LAW OR PUBLIC POLICY, THE INDEMNITIES SET FORTH IN THIS ARTICLE ARE INTENDED TO BE ENFORCEABLE AGAINST THE PARTIES IN ACCORDANCE WITH THE EXPRESS TERMS AND SCOPE THEREOF, NOTWITHSTANDING ANY STATUTE, RULE, OR DIRECTIVE THAT WOULD PROHIBIT OR OTHERWISE LIMIT INDEMNITIES BECAUSE OF THE NEGLIGENCE OR OTHER FAULT OR STRICT LIABILITY OF ANY OF THE INDEMNIFIED PARTIES. THE INDEMNITIES SET FORTH IN THIS ARTICLE APPLY REGARDLESS OF WHETHER OR NOT THE CLAIM OR LOSS IS CAUSED BY THE SOLE, JOINT, CONTRIBUTORY OR CONCURRENT NEGLIGENCE (IN ANY AMOUNT), GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, STRICT LIABILITY, PRODUCT LIABILITY, BREACH OF WARRANTY, BREACH OF CONTRACT, BREACH OF STATUTE OR OTHER FAULT OR FORM OF LIABILITY OF ANY MEMBER OF WEATHERFORD GROUP, CUSTOMER GROUP, OR A THIRD PARTY, THE UNSEAWORTHINESS OR UNAIRWORTHINESS OF ANY VESSEL OR CRAFT, OR ANY PRE-EXISTING CONDITION.

#### 4.9 Liability Cap. Save and except for Weatherford's Indemnification obligations under Sections 4.1 and 4.6 above, which shall not be so limited, and subject to the provisions of Section 3.2 limiting Weatherford's responsibility for breach of warranty claims, Weatherford's maximum aggregate liability with respect to Claims arising out of, or in any way relating to its performance of Work under any Order, whether sounding in contract or tort (including negligence, gross negligence, willful misconduct, strict liability and breach of statutory duty), at law or in equity, shall be limited to the aggregate amounts paid to and received by Weatherford Group during the twelve (12) month period immediately preceding the event giving rise to the Claim for all Work performed by Weatherford Group, not to exceed \$1,000,000, in the aggregate, in any twelve (12) month period (the "Liability Cap"), and Customer hereby waives and releases Weatherford Group from any such liability in excess of the Liability Cap.

### 5. WEATHERFORD TOOLS

Notwithstanding the provisions of Section 4.1 above, Customer agrees to pay for, or to reimburse Weatherford for, any loss of or damage (which includes damage beyond repair) to Weatherford Tools (i) that occurs while the Weatherford Tools are in the hole, or in the drill string below the level of the rotary table; (ii) that results from the flow or existence of any substance from or in the reservoir or well, or any well condition (including corrosion, erosion, embrittlement or abrasion); or (iii) that occurs while the Weatherford Tools are otherwise in the care, custody and control of any member of Customer Group (e.g., while being transported on, or being loaded or unloaded to/from, a conveyance provided or arranged for by any member of Customer Group). Unless the Parties stipulate a replacement price for Weatherford Tools in the applicable Order or have entered into a separate, written agreement waiving Customer's responsibility for (or specifying the replacement values applicable to) the specific lost Weatherford Tool(s), Customer shall pay or reimburse Weatherford for the Replacement Price (as defined below) of lost (or damaged beyond repair) Weatherford Tools, plus any applicable taxes, as well as the costs of shipping the replacement tools or equipment from the manufacturer thereof to the Weatherford's designated location. For purposes of the foregoing and these Terms and Conditions, the term "Replacement Price" shall mean Weatherford's then current list price, without discounts (if the lost Weatherford Tools were manufactured by Weatherford) or the list purchase price of new replacement tools or equipment purchased from a Third Party. Save and except for damage occasioned by normal wear and tear, Customer shall reimburse Weatherford for the cost of repairing damaged Weatherford Tools, including the costs of inspection and of shipping the damaged Weatherford Tools to and from the place of repair, not to exceed the Replacement Price thereof.

### 6. RENTAL EQUIPMENT

- 6.1 **Rental Equipment Warranties.** Weatherford warrants that all Rental Equipment shall, upon delivery to Customer, (i) be clean and in good mechanical condition; (ii) be capable of operating in accordance with its rated capacities and capabilities when operated in accordance with the Rental Equipment Guidelines (as described in Section 6.3 below) and otherwise conform to Weatherford's published Rental Equipment specifications (and to any additional specifications stipulated in the Order); and (iii) comply with the requirements of all Applicable Laws. **Weatherford makes no other representations or warranties whatsoever with respect to Rental Equipment, hereby expressly disclaiming any and all other warranties, express or implied, including any warranty that the Rental Equipment will be merchantable or suitable for any particular use or purpose.**
- 6.2 **Delivery and Inspection.** Unless otherwise specified in the Order, Weatherford shall, at Customer's expense, deliver all Rental Equipment to the Work Site specified in the Order. Customer shall conduct a thorough visual inspection of all Rental Equipment upon its delivery to the Work Site and shall promptly notify Weatherford of any apparent defects or deficiencies therein or damages thereto. Within 72 hours of its first use of the Rental Equipment, Customer shall notify Weatherford, in writing, if same is non-operational by reason of a latent defect not discoverable from a thorough visual inspection, or otherwise fails to satisfy the requirements of the Order. If Customer timely notifies Weatherford that the Rental Equipment is damaged, defective, non-operational, or otherwise fails to satisfy the requirements of the Order, Weatherford shall replace the Rental Equipment, at Weatherford's expense, within 72 hours after its receipt of such notice, or as soon as reasonably practical under the circumstances.
- 6.3 **Use and Control.** Customer shall have and assume all responsibility for the care, custody and control of the Rental Equipment after delivery and until its return, and agrees to use and operate the Rental Equipment in a careful and prudent manner, using only competent and properly trained employees or



subcontractors, and only in accordance with any written installation, maintenance and/or operating manuals, procedures or instructions applicable thereto (including any applicable Original Equipment Manufacturer ("OEM") specifications or warranty requirements) furnished by Weatherford (collectively "Rental Equipment Guidelines") and the requirements of all Applicable Laws. Customer shall not move the Rental Equipment from the Work Site specified in the Order, sublease the Rental Equipment or allow any Third Party to operate such equipment without the prior written consent of Weatherford. Customer shall not modify the Rental Equipment without Weatherford's prior written consent, and shall not change, alter or remove any insignia, serial number or lettering of or on the same, or affix any of its own markings or insignia thereto.

- 6.4 **Routine Maintenance and Parts.** Unless otherwise specified in the Order with respect thereto, Customer shall have sole responsibility for the installation, routine inspection, service and maintenance of the Rental Equipment, and shall be responsible for furnishing or obtaining all labor, parts and other materials necessary to service and maintain the Rental Equipment in good operating condition throughout the rental period in accordance with the Rental Equipment Guidelines. The Rental Equipment shall be serviced by trained and qualified Customer personnel or by the repair facility designated by Weatherford. All parts and other materials employed by Customer to service and maintain the Rental Equipment shall conform to the Rental Equipment Guidelines. Customer shall maintain a maintenance log indicating the details of all maintenance and service performed on the Rental Equipment, and shall provide a copy thereof to Weatherford upon request.
- 6.5 **Replacement Parts; Service Technician.** Should the Rental Equipment fail at any time during the rental period and Customer be unable to repair same, Customer shall notify Weatherford thereof and Weatherford shall, within 72 hour of Weatherford's receipt of Customer's notice, or as soon as reasonably practical under the circumstances (i) ship any necessary replacement parts and/or repair items ("Replacement Parts") to the Work Site where the Rental Equipment is located, and (ii) if requested by Customer, dispatch a service engineer or equipment technician ("Service Technician") to repair the Rental Equipment. Should the Rental Equipment's failure occur by reason of a latent defect or by virtue of normal wear and tear specific to the item of equipment and the customary use thereof, all costs and expenses for or relating to (i) the Replacement Parts necessary to repair same, and (ii) the services of the Service Technician (including all travel costs to and from the Work Site) shall be borne by Weatherford, and no rental shall be due for the period during which the Rental Equipment was inoperable. Should the Rental Equipment's failure occur for any other reason, including Customer Group's misuse of the Rental Equipment or failure to install, operate and maintain it in accordance with the Rental Equipment Guidelines, or damage by a Third Party, Customer shall be charged as stated in the applicable Order (or if not so stated, at Weatherford's then current rates) for the Service Technician's time, plus the cost of transportation from and to the Weatherford Facility from which he/she was dispatched, along with associated expenses for meals and lodging, or invoiced directly by the Rental Equipment's manufacturer or designated repair facility, as applicable.
- 6.6 **Return of Rental Equipment.** At the end of the rental period, Customer shall return the Rental Equipment to Weatherford at Weatherford's Facility clean, and in the same condition as received (ordinary wear and tear excepted), and shall pay or reimburse Weatherford for the costs of any inspections performed by Weatherford or any Third Party engaged by Weatherford for that purpose. Where Rental Equipment is returned in an uncleaned condition, Weatherford reserves the right to clean the Rental Equipment or cause it to be cleaned by a Third Party. Where applicable, all charges associated with the cleaning (and for the disposal of any waste resulting therefrom) shall be for Customer's account as follows: (a) removal of thread compound and cleaning end connections shall be charged at Weatherford's applicable per connection fees, and (b) removal and disposal of waste (including oil base mud, heavy pipe scale, hazardous and/or oilfield waste and corrosive material) performed by Third Parties shall be invoiced to Customer at Weatherford's invoiced cost at a minimum cost plus twenty percent (20%). Rental Equipment which has been run downhole shall also be inspected and tested for the presence of Naturally Occurring Radioactive Material, including Technologically Enhanced Naturally Occurring Radioactive Material (collectively "NORM") upon its return and, if found to be contaminated with NORM above the levels permissible under Applicable Law, Customer shall, at its sole cost and expense, either (i) take direct responsibility for decontaminating the Rental Equipment, at its expense, at an appropriately licensed facility and for returning same to Weatherford's Facility, or (ii) direct Weatherford to have the Rental Equipment decontaminated at a licensed facility. For Rental Equipment decontaminated by Weatherford, Customer shall reimburse Weatherford for all NORM decontamination charges incurred by Weatherford, including transportation, at a minimum cost plus twenty percent (20%). In the absence of Applicable Law regulations defining permissible levels of NORM, the laws and regulations of the State of Texas relating thereto shall apply with respect to Rental Equipment used in the United States of America and the laws and regulations of the Province of Alberta shall apply with respect to Rental Equipment used in Canada, and the Rental Equipment shall be decontaminated in accordance therewith.

Notwithstanding the provisions of Section 4.1 above, if the Rental Equipment is damaged or otherwise not returned in the same condition as received by Customer (ordinary wear and tear excepted), Customer shall pay Weatherford the lesser of (i) all costs incurred by Weatherford to restore the same to such condition, or (ii) its Replacement Price (plus applicable taxes and shipping costs). Rental Equipment parts or components replaced shall be charged to Customer at Weatherford's Price Book price or the manufacturer's current list price, as applicable. Rental payments shall not apply to the cost of repair or replacement.

- 6.7 **Rental Equipment Default.** Should Customer fail to timely pay rentals or other amounts due Weatherford with respect to Rental Equipment, or to otherwise comply with its obligations with respect to the Rental Equipment, Weatherford or its agent shall have the right to enter upon the Customer's premises or Work Site to take possession of the Rental Equipment, with or without judicial process, after first making written demand upon Customer and providing Customer ten (10) days to cure. Customer hereby waives any and all damages occasioned by such taking of possession. Weatherford's taking of possession of the Rental Equipment shall not constitute a termination of the Order under which the Rental Equipment was furnished, and shall not relieve Customer of its obligations under the provisions of Section 6.6 above.
- 6.8 **Cancellation of Rental Equipment Orders.** If Customer cancels an Order for Rental Equipment prior to commencement of the rental period, it shall nonetheless pay or reimburse Weatherford for all testing, inspection and/or other make-ready costs incurred by Weatherford prior to its receipt of Customer's notice of cancellation. If Customer cancels an Order for Rental Equipment prior to the end of the rental period, it shall remain liable for its obligations under the provisions of Section 6.6 above

## **7. CONFIDENTIAL INFORMATION; INTELLECTUAL PROPERTY; DISCOVERIES**

### **7.1 Confidential Information.**

- (a) Each Party receiving Confidential Information (the "Receiving Party") warrants and agrees that for a period of five (5) years after its receipt thereof, it shall maintain and safeguard the confidentiality of all Confidential Information received by it from the other Party (the "Disclosing Party"), handling and treating it with at least the same degree of care (and affording it the same protections) the Receiving Party observes and provides for its own confidential, proprietary and trade secret information, and in all events with at least a reasonable standard of care. For purposes of these Terms and Conditions, the term "Confidential Information" shall mean and include only confidential, non-public information provided by the Disclosing Party that describes, pertains or relates to the Work or the performance thereof (including information with respect to the Work Site) or to the tools, equipment, processes or technologies employed in performing the Work. Confidential Information shall not include information which is independently developed by a Party, without reliance upon or reference to the Confidential Information of the other Party.
- (b) Nothing contained herein shall in any way limit or restrict a Receiving Party's right to use, disclose, or otherwise deal with any Confidential Information of the Disclosing Party which (i) is or becomes generally available in the public domain through no wrongful act or unauthorized disclosure of the Receiving Party, (ii) was lawfully in the Receiving Party's possession prior to being provided to the Receiving Party, or (iii) is independently made available to the Receiving Party as a matter of right by a Third Party who is under no obligations to maintain the confidentiality thereof.
- (c) If a Receiving Party receives a request or order to disclose all or any part of the Disclosing Party's Confidential Information under the terms of a discovery request, subpoena, or other order issued by a court or governmental body pursuant to law or regulation (a "Disclosure Request"), the Parties each hereby agree (i) to promptly notify the other Party of the existence, terms and circumstances surrounding the Disclosure Request and (ii) to reasonably assist the other Party in seeking an appropriate protective order and/or taking other legally-available steps to resist or narrow the scope of the Disclosure Request, and (iii) if disclosure of the Confidential Information of the Disclosing Party is required to prevent the Receiving Party from being held in contempt or subject to other penalty, to furnish only such portion of the Confidential Information as it is, in the opinion of the Receiving Party's counsel, legally compelled to disclose.

### **7.2 Intellectual Property Rights.**

- (a) Unless the Parties have otherwise agreed in writing, a Party's Intellectual Property (and any development, enhancement, improvement, or derivative thereof, regardless of inventorship) shall be and remain the property of that Party. To the extent any Intellectual Property of a Party (and/or any enhancement, improvement, or derivative thereof) is incorporated into or necessary for the performance of any Work provided to Customer, that Party grants the other Party only a non-exclusive, non-transferrable, non-sub-licensable, revocable, royalty-free, right and license to use such Intellectual Property incorporated into the Work solely for the purpose of performing or using such Work, as applicable. Except as expressly stated herein, neither Weatherford nor Customer shall have any right or license to use, whether directly or indirectly, any of the other's Intellectual Property. The foregoing does not, however, grant or extend to Customer any ownership interest in or license to use (or right to sublicense) any computer programs, software or firmware used or employed by Weatherford in performing Work or made available to Customer in connection therewith.
- (b) If Weatherford and Customer or their respective employees jointly develop any Intellectual Property which is not an enhancement, improvement or derivation of either Party's Intellectual Property ("Joint IP"), the Joint IP shall be owned by Weatherford. Weatherford hereby grants Customer, a revocable, non-exclusive, non-sub-licensable, non-transferrable, royalty free, right and license to use the Joint IP incorporated into the Work solely for the purpose of using such Work.

**7.3 Reverse Engineering Prohibited.** Except to the extent necessary for the maintenance or repair thereof, Customer shall not (and shall not direct or permit any Third Party to) disassemble any Weatherford Product(s) or Rental Equipment, or decompile, analyze or otherwise seek to reverse engineer any Weatherford Product(s) or Rental Equipment (or any component part thereof) in an effort to discover its design, structure, construction, or formulation, or the firmware used or embedded therein.

**7.4 Injunctive Relief.** Because money damages would not be a sufficient remedy for any breach or threatened breach by Customer of this Article 7, Weatherford shall be entitled to specific performance, injunctive or other equitable relief to enforce the provisions of this Article 7, without the necessity of proving irreparable harm, without the necessity of posting bond, and without waiving any other remedies available to it, at law or in equity. In the event of such an action, Weatherford shall be entitled to recover its reasonable attorney's fees and costs of litigation.

## **8. INSURANCE**

**8.1 Insurance in Support of Indemnities.** Customer and Weatherford shall each procure and maintain in support of their respective indemnity obligations under these Terms and Conditions, and not as an obligation separate or independent therefrom, policies of insurance of the following types (with coverage amounts not less than the minimum limits specified) (the "Insurance Policies"):

- (a) Statutory Workers' Compensation Insurance complying with applicable state or provincial laws and Employer's Liability Insurance covering all of the Party's employees, with liability limits of \$1,000,000.00 per occurrence.
- (b) Comprehensive or Commercial General Liability Insurance (including contractual liability for the Party's obligations to Indemnify the other Party) with combined single limits of not less than \$1,000,000.00 per occurrence and in the aggregate, to include bodily injury and property damage, specifically including Contractual Liability.
- (c) Comprehensive or Commercial Automobile Liability Insurance covering all owned, non-owned, and hired automobiles used by it in connection with the Work, if any, with a combined minimum limit of \$1,000,000 each occurrence for bodily injury and property damage.

- (d) Excess Liability Insurance over that required in Paragraph (a), (b) and (c) above, with minimum limits of \$4,000,000.00 per occurrence and in the aggregate, specifically including Contractual Liability.
- (e) If the Work to be provided by Weatherford involves well(s) that Customer operates, Customer shall procure and maintain, at its sole expense, a Control of Well Policy that covers the cost of regaining control of a wild well, pollution, stuck drill stem, and evacuation expense.

All Insurance Policies must be issued by a reputable insurance company with a Best's Issuer Credit Rating of A+ or better, and shall be obtained by each Party at its sole cost and expense.

- 8.2 **Insurance Policy Endorsements.** To the extent of its indemnity obligations under these Terms and Conditions, each Party's Insurance Policies shall be endorsed to (i) name the other Party (and all members of the other Party's Group) as an additional insured (except Workers Compensation and Employer's Liability), (ii) provide that the insurer waives its rights of subrogation against the other Party's Group and its insurers, and (iii) be primary as to any other insurance policies. Neither Party's Insurance Policies (or any of them) shall be cancelled or materially modified or amended without thirty (30) days' advance written notice to the other Party.
- 8.3 **Certificates of Insurance.** Each party shall deliver to the other, upon request, certificates of insurance showing that its Insurance Policies (endorsed as described above) are in full force and effect, and Weatherford shall have no obligation to perform Work unless and until it has received same.
- 8.4 **Indemnity not Limited by Insurance Coverage.** The insurance coverages specified in Section 8.1 represent minimum requirements and are not to be construed to void or limit either Party's indemnity obligations under these Terms and Conditions.

## 9. **LAWS AND REGULATIONS**

- 9.1 **Compliance with Applicable Laws.** Customer (and all members of its Group) shall comply with all Applicable Laws in the performance of their obligations and the enforcement of their rights under these Terms and Conditions and all Orders. Notwithstanding anything to the contrary in these Terms and Conditions, Customer shall not be required to take any action prohibited or penalized by, or to refrain from taking any action required under, the laws of any applicable domestic or foreign jurisdiction relating to international boycotts.
- 9.2 **Trade Compliance.**
  - (a) Without limiting the generality of Section 9.1, Customer agrees to comply with all applicable laws, ordinances, rules, regulations, by-laws, decrees, orders and the like, whether of governmental or other authority or agency, related to economic sanctions, embargoes, international boycotts and/or the importation, exportation, or re-exportation of any equipment, product, materials, software (including source code), technical data or technology (collectively "Trade Compliance Laws"), and shall not, directly or indirectly, sell, provide access to, export, re-export, transfer, divert, loan, lease, consign, transship, transport, or otherwise dispose of any Weatherford equipment, product, materials, software (including source code), technical data or technology to, via, or for (i) any entity known to be headquartered in, or owned or controlled by a national of, any country or region subject to comprehensive sanctions at any time applicable to Weatherford, including currently Cuba, Iran, North Korea, Sudan, Syria, and the Crimea Region of Ukraine, (ii) any other Person identified on a denied or restricted party list applicable to Weatherford, or (iii) any activity or end-use restricted by Trade Compliance Laws without first obtaining all required government authorizations and Weatherford's written permission. Customer agrees to complete Weatherford's end-use, end-user, end-destination documentation when requested.
  - (b) Weatherford shall have the right, in its sole discretion, to immediately suspend performance under or to terminate any Order if (i) applicable comprehensive sanctions are imposed, or (ii) Customer is designated as or determined to be a denied or restricted party under any Trade Compliance Law.
- 9.2 **Ethics and Anticorruption.** Weatherford complies with, and requires that each member of Customer Group comply with, the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act of 2010, and/or any Applicable Laws related to anti-corruption, anti-kickbacks, and anti-money laundering with regards to the Work. Customer shall make no facilitating payments, or grease payments, with regards to the Work.
- 9.3 **Termination and Indemnification.** If Weatherford is required by Customer to engage in any act that violates this Article 9, Weatherford may immediately terminate any Order(s) and will not be in breach or default as a result of such termination. Customer agrees to Indemnify Weatherford Group for all Claims arising from Customer's violation of this Article 9.

## 10. **ASSIGNMENT AND SUBCONTRACTING**

Weatherford may assign any Order (or any rights and interests thereunder) to an Affiliate, or subcontract the Work (or any portion thereof) to be performed under any Order, but shall not assign any Order to any Third Party without the prior written consent of Customer, which consent shall not be unreasonably withheld, conditioned, or delayed. Customer may not assign any Order (or any rights and interests thereunder) without the prior written consent of Weatherford. Subject to the foregoing, each Order shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assignees.

## 11. **FORCE MAJEURE**

- (a) Neither Party shall be considered in breach of any Order or the requirements of these Terms and Conditions (excluding the obligation of Customer to pay Weatherford for the Work) if prevented from performing due to a Force Majeure Event. The term "Force Majeure Event" means any act or event that renders it wholly or partially impossible for the affected Party to perform its obligations under these Terms and Conditions or any Order or delays such affected Party's ability to do so, when such act or event (i) is beyond the reasonable control of the affected Party, (ii) is not due to the fault or negligence of the affected Party, and (iii) could not have been avoided by the affected Party by the exercise of reasonable diligence.

- (b) Should a Force Majeure Event delay Weatherford's performance of Work under an affected Order by more than thirty (30) days, and cannot be accommodated by adjustment to the schedule of the Work, either Party may terminate the affected Order by giving five (5) days written notice to the other Party. In the event of such termination, Weatherford shall be paid or reimbursed for (i) all Work performed prior to the date of termination and (ii) any other reasonable costs incurred as a result of such termination (including Weatherford's standard personnel and equipment stand-by charges, demobilization costs, and any early vendor termination expenses incurred). If the Force Majeure Event affects only a portion of the Work and Customer should elect to terminate the Order, then Customer shall pay the early termination fee specified in the Order (if any) or as agreed between the Parties. Subject to the foregoing and/or any other compensation or reimbursement provided for in the applicable Order, each Party shall otherwise bear its own costs for the Force Majeure Event.

## **12. GOVERNING LAW; DISPUTE RESOLUTION; ATTORNEYS' FEES**

**12.1 Governing Law and Venue.** The Parties agree that the application of the United Nations Convention on Contracts for the International Sale of Goods is specifically excluded from these Terms and Conditions and shall not be applied to any Order hereunder. Any dispute arising out of or in connection with these Terms and Conditions and Orders hereunder shall be resolved in accordance with the following:

- (a) For Work performed, or to be performed, by Weatherford in the United States, these Terms and Conditions and all Orders shall be governed, construed and interpreted in accordance with the laws of the State of Texas, which shall apply without regard to any choice of laws or conflict of laws provisions which would direct the application of the laws of another jurisdiction. Venue for any litigation filed with respect to these Terms and Conditions or any Order (or the Work performed thereunder) shall be exclusive in the courts, state or federal, sitting in Midland County, Texas, and **TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY SUCH LITIGATION.**
- (b) For Work performed, or to be performed, by Weatherford in Canada, this Agreement and all Orders shall be governed, construed, and interpreted in accordance with the laws of the Province of Alberta, Canada, which shall apply without regard to any choice of laws or conflict of laws provisions which would direct the application of the laws of another jurisdiction. Venue for any litigation filed with respect to these Terms and Conditions or any Order (or the Work performed thereunder) shall be exclusive in the courts sitting in Calgary, Alberta, and **TO THE EXTENT ALLOWED BY APPLICABLE LAW, EACH PARTY HEREBY WAIVES ALL RIGHTS TO A JURY TRIAL WITH RESPECT TO ANY SUCH LITIGATION.**
- (c) For Work performed, or to be performed, by Weatherford in Central or South America, these Terms and Conditions and all Orders shall be governed, construed, and interpreted in accordance with the laws of the State of Texas, which shall apply without regard to any choice of laws or conflict of laws provisions which would direct the application of the laws of another jurisdiction. Any dispute, controversy or claim arising out of, in connection with, or relating to such Work or any Order governing such Work (other than the seeking of temporary, pre-judgment, equitable relief, which action(s) shall be conducted in a court of law) shall be exclusively resolved by binding arbitration, administered by the International Chamber of Commerce ("ICC"), conducted in accordance with the ICC Rules of Arbitration (the "ICC Rules") in effect at the time that the arbitration is filed, provided that the provisions of this Article 12 shall prevail in the event of any conflict with the ICC Rules. The Emergency Arbitrator Provisions (or other similar rules or provisions pertaining to pre-judgment, equitable relief) shall not apply. The seat of arbitration shall be Houston, Harris County, Texas (or such other location as the Parties may agree upon in writing), and the proceedings shall be conducted and concluded as soon as reasonably practicable, based upon the schedule established by the Tribunal.
- (d) For Work performed, or to be performed, by Weatherford anywhere other than the United States, Central or South America, or Canada, these Terms and Conditions and all Orders shall be governed, construed, and interpreted in accordance with the laws of England and Wales, which shall apply without regard to any choice of laws or conflict of laws provisions which would direct the application of the laws of another jurisdiction. Any dispute, controversy or claim arising out of, in connection with, or relating to such Work or any Order governing such Work (other than the seeking of temporary, pre-judgment, equitable relief, which action(s) shall be conducted in a court of law) shall be exclusively resolved by binding arbitration, administered by the ICC in accordance with the ICC Rules in effect at the time that the arbitration is filed, provided that the provisions of this Article 12 shall prevail in the event of any conflict with the ICC Rules. The Emergency Arbitrator Provisions (or other similar rules or provisions pertaining to pre-judgment, equitable relief) shall not apply. The proceedings shall be conducted and concluded as soon as reasonably practicable, based upon the schedule established by the tribunal. The seat of arbitration shall be London, England (or such other location as the Parties may agree upon in writing), and the proceedings shall be conducted and concluded as soon as reasonably practicable, based upon the schedule established by the Tribunal.

### **12.2 Selection of Arbitrators; Arbitral Proceedings.**

- (a) For any arbitration conducted under the foregoing provisions, the arbitration shall (i) be final and binding, each Party expressly consenting to arbitration and waiving any right of appeal to any court from an arbitral award, (ii) be conducted in the English language, and (iii) be treated as confidential (including any information concerning the fact of any request for arbitration, as well as all matters discussed, discovered, or divulged (voluntarily or by compulsion) during the course of such arbitration proceeding, including evidentiary information), subject to each Party's right to cooperate fully with governmental authorities, including taxing jurisdictions. The arbitral tribunal ("Tribunal") shall be composed of one (1) neutral arbitrator, selected in accordance with the ICC Rules, unless the dispute involves damages alleged by either Party of USD \$5,000,000 or more (excluding interest, costs, and attorneys' fees), in which case the dispute shall be resolved by three (3) arbitrators, all of whom must comply with the standards of the ICC. For the purpose of determining the number of arbitrators comprising the Tribunal, the amount in controversy shall be measured as of the date the Parties submit their respective Request for Arbitration and Answer under the ICC Rules, regardless of whether the amount in controversy increases or decreases at some later time. If the dispute is one that must be resolved by three (3) arbitrators, each Party shall nominate an arbitrator in the Request for Arbitration and the Answer, respectively, and those two (2) arbitrators shall jointly appoint the third arbitrator, who shall act as president of the Tribunal. If either Party fails to nominate an arbitrator, or if the two chosen arbitrators are unable to agree upon a third arbitrator within 21 days of the confirmation of the second arbitrator, the third arbitrator shall be appointed by the ICC.
- (b) Any dispositive hearing relating to the arbitration shall be conducted according to the IBA Rules on the Taking of Evidence in International Arbitration ("IBA Rules of Evidence") in effect at the time that the arbitration is filed. The Tribunal shall render its Award in the form of a written, reasoned decision, and such written Award shall be final and binding on the parties to the arbitration proceeding, and confirmation and

enforcement of the awards so rendered may be obtained and entered in any court having jurisdiction thereof. The Tribunal shall have no power or authority to make awards or issue orders of any kind except as expressly permitted by these Terms and Conditions and the Applicable Law, and in no event shall the Tribunal have the authority to make any award that provides for punitive or exemplary damages, except as provided for under this Terms and Conditions, or be permitted to issue any award on the basis of *ex aequo et bono* or *amiable compositeur*. The Tribunal may, in its discretion, award any or all of (1) the reasonable attorneys' fees (including reasonable costs) incurred by the prevailing Party, (2) the fees and expenses of the arbitrators, (3) the administrative expenses fixed by the ICC, and (4) the fees and expenses of any expert(s) employed by the prevailing Party or appointed by the Tribunal. All statutes of limitation under Applicable Law shall apply to the arbitration proceeding. Any attorney-client privilege and other protection against disclosure of privileged or confidential information under Applicable Law (including any protection afforded attorney work-product) shall be available to, and claimed by, any Party in any arbitration proceeding.

- 12.3 **Attorneys' Fees and Injunctive Relief.** The prevailing Party in any litigation or arbitral proceedings shall be entitled to recover, in addition to any damages or other relief awarded to it, reasonable attorney's fees, fees and expenses of the arbitrator, court costs, fees of testifying experts or consultants, and other expenses related thereto. Nothing herein shall prohibit a Party from availing itself of a court of competent jurisdiction for the purpose of injunctive relief.

**13. WAIVER OF SOVEREIGN IMMUNITY**

**IF CUSTOMER IS OWNED, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, BY ANY COUNTRY OR SOVEREIGN, OR IS AN AUTHORITY OR AGENCY OF ANY COUNTRY OR SOVEREIGN, THEN CUSTOMER HEREBY WAIVES ANY AND ALL RIGHTS AND IMMUNITIES, INCLUDING WITHOUT LIMITATION, ANY IMMUNITIES FROM LAWSUITS, CLAIMS, PREJUDGMENT SEIZURE, ARREST OR ATTACHMENT IT MAY HAVE UNDER ANY STATUTE, LAW, RULE OR REGULATION OF ANY COUNTRY OR SOVEREIGN.**

**14. SEVERABILITY**

If any of the provisions in these Terms and Conditions are found to be inconsistent with or contrary to any Applicable Law, same shall be deemed to be modified to the extent required to comply with Applicable Law (it being the intention of both Parties to enforce to the fullest extent all of these Terms and Conditions), and as so modified, these Terms and Conditions shall continue in full force and effect. In the event such provisions cannot be deemed or modified automatically, the Parties agree to meet to attempt to reach agreement on a conforming modification to such provision. In the event any provision cannot be modified to comply with Applicable Law, then that term or provision shall be deemed to be deleted from these Terms and Conditions and the remaining provisions shall remain in full force and effect.

**15. WAIVER OF TERMS**

No waiver by Weatherford of any of the terms, provisions, or conditions of these Terms and Conditions shall be effective unless expressly stated in a writing signed by an authorized officer of Weatherford. Weatherford's failure to enforce any term, provision or condition of these Terms and Conditions shall in no manner affect its right to enforce the same at a later time, and the waiver by Weatherford of any breach of any term, provision or condition of these Terms and Conditions shall not be construed to be a waiver by Weatherford of any subsequent or succeeding breach of such term, provision or condition or of any other term, provision or condition hereof.

**16. ACKNOWLEDGEMENT AND ACCEPTANCE**

Weatherford may revise and post updates to these Terms and Conditions from time-to-time, and all Orders will be subject to the most recently posted version of these Terms and Conditions. In accepting Work from Weatherford, Customer shall be deemed to have accepted these Terms and Conditions, unless Weatherford and Customer have entered into a separate, written, master services agreement, supply agreement, equipment rental agreement, or other contract which governs the Work.