



TERMS AND CONDITIONS (EQUIPMENT SALES AND SERVICES)

Equipment Trading International B.V.

Deposited with the Chamber of Commerce of North West Netherlands under number **51667320**

SECTION 1: DEFINITIONS

1.1. In these terms and conditions:

- a. **"ETI"** means **Equipment Trading International BV** (Chamber of Commerce of North West Netherlands under number **51667320**)
a private company with limited liability registered in the Netherlands, having its registered office at **Havenkade 24, 1775 BA Middenmeer;**
- b. **"the Customer"** means the person, firm or company specified as such in any Agreement to whom any Equipment is supplied by way of sale as mentioned in Section 7:1 of the Dutch Civil Code or lease as mentioned in section 7:201 of the Dutch Civil Code and/or to whom any services are provided by **ETI**;
- c. **"Equipment"** means any equipment, tubulars, machinery or other goods supplied by **ETI** to the Customer by way of sale including any accessories or component parts and including any replacement of spare parts supplied by **ETI** whether initially or subsequently;
- d. **"Agreement"** means any agreement or contract between **ETI** and the Customer in relation to the sale of, lease of, or service to the Equipment, or other services rendered by **ETI**, into which agreement these Terms and Conditions are incorporated by reference; **"Terms and Conditions"** means the present by **ETI** used terms and conditions.

SECTION 2: APPLICABILITY

2.1. These Terms and Conditions are to govern any Agreement between **ETI** and the Customer and shall prevail over any terms put forward by the Customer unless **ETI** expressly agrees to them in writing.

2.2. Any written confirmation of these Terms and Conditions containing proposals or terms additional to or different from those set forth herein are not binding on **ETI** unless **ETI** expressly agrees to any



such proposal or terms in writing, signed by (or by some person duly authorized by) **ETI**.

2.3. **ETI** contracts and does business for the sale of, lease of or service to Equipment solely upon these Terms and Conditions notwithstanding anything to the contrary contained or purported to be contained in any document or statement made by the Customer. No variation or alteration of these Terms and Conditions shall be of any effect unless expressly agreed to in writing, signed (or by some person duly authorized by) **ETI**.

2.4. No conduct by **ETI** shall be deemed to constitute acceptance of any terms put forward by the Customer.

2.5. These conditions shall also apply to all future deliveries, leases or services to the Customer, except when agreed otherwise and confirmed by **ETI** in writing.

SECTION 3: OFFERS

3.1. All offers of **ETI**, in any form whatsoever, are free of obligations. **ETI's** offers shall be non-binding unless they are expressly designated as binding. Binding offers shall expire by the date mentioned in the binding offer and in any case, binding offers expire 30 days after the date of the offer, unless they are extended by **ETI** in writing.

3.2. **ETI** reserves the right to modify the technical concept on which the offer is based, provided that this has no adverse effect on the performance and quality of the item offered, the price or the delivery date.

3.3. All information provided in respect of **ETI's** offers, including cost estimates, quotes, illustrations, drawings, calculations, pricelists, and catalogues etcetera is as accurate as possible. This information is only binding on **ETI** if **ETI** confirms such expressly in writing.

3.4. For the avoidance of doubt, also details of weights and measures, drawings, explanations, descriptions and illustrations contained in **ETI's** brochures or other sales literature shall be approximately authoritative; they shall represent a general description of materials and shall not be construed as part of the offer.

3.5. If the Customer provides **ETI** with information, then **ETI** considers this information as complete and as right.

3.6. Every offer from **ETI** is based on the assumption that **ETI** can perform her duties under normal circumstances and during regular work hours.



SECTION 4: AGREEMENT

- 4.1. Apart from the acceptations as stated hereinafter, the Agreement is realised by written approval of **ETI**.
- 4.2. The confirmation is deemed to represent the contents and purpose of the agreement correctly and fully.
- 4.3. In case the Agreement is not confirmed in writing and in spite thereof the parties carry out their obligations under this agreement, the parties consider the invoice as the written confirmation of the Agreement.
- 4.4. Any possible additional terms and conditions or alterations thereof, as well as (oral) agreements by employees of **ETI** or by third parties on behalf of **ETI**, are not binding unless **ETI** expressly confirms them in writing.
- 4.5. **ETI** shall retain sole ownership and copyright in respect of all software, drawings and other documentation. The drawings and other documentation may not be made accessible to third parties without **ETI's** consent and shall be returned on request.
- 4.6. The Customer is not entitled to alienate or burden his rights under this agreement, without the prior written consent of **ETI**.
- 4.7. If **ETI** deems it necessary, **ETI** is entitled to hire auxiliary persons without the consent and/or knowledge of the Customer. If so, these Terms and Conditions remain in full force regarding all obligations of **ETI** and general and the liability of **ETI** in particular.

SECTION 5: PRICES

- 5.1. Unless otherwise agreed, the provided prices by **ETI** are:
- based on the information the Customer has provided;
 - based on the prices which apply at the moment **ETI** has sent her order confirmation;
 - VAT excluded and other (import) duties, taxes and other possible charges also excluded;
- 5.2. **ETI** is entitled to increase her prices, i.e. if one of the components in Section 5.1. increases.

SECTION 6: TERMS OF DELIVERY, SHIPPING, DELIVERY, HANDLING, INSURANCE AND EXPORTATION

- 6.1. Indicated and agreed delivery times and other times are determined by approach and are never to be considered as fatal terms. Should **ETI** be unable to fulfill an order for longer than 2 months due to any event whatsoever, **ETI** shall have the right to cancel all or part of the order with no resulting entitlement to compensation on the part of the Customer.
- 6.2. Unless expressly specified otherwise, agreed delivery periods shall



relate to shipment from **ETI's** facility or forwarding department. They do not begin before the Customer has fulfilled its obligations to cooperate, in particular by supplying documentation required from it and the agreed advance payments.

6.3. Equipment shall be shipped EX Works in accordance with Incoterms 2010 or the latest version from a place to be determined by **ETI**.

6.4. Unless otherwise specified, prices shall include the in Section 5.1. mentioned costs of packing based on EX Works in accordance with Incoterms 2010 or the latest version.

6.5. Transport insurance shall be arranged only at the request and expense of the Customer.

6.6. Partial deliveries are permitted.

SECTION 7: RETENTION OF TITLE

7.1. **ETI** shall retain the right of ownership of the delivered and leases Equipment until the fulfillment of all claims to which **ETI** is entitled under the terms of the commercial relationship, regardless of the legal grounds on which they are based.

7.2. The Customer shall be entitled to process **ETI's** Equipment or combine them with other Equipment or products in the course of its normal commercial operations. **ETI** shall acquire joint ownership, which the Customer shall hereby transfer **ETI**, of the items produced by the processing or combination.

7.3. If the products are stored with a third party the Customer will inform this third party of the retention of title and that this third party constitutes as a detentor for **ETI**. **ETI** cannot be charged with storage costs or other costs.

7.4. The Customer shall not be entitled to otherwise dispose of the items for which **ETI** retained the title or for which the corresponding debts were assigned to **ETI**. The Customer shall inform **ETI** immediately of any third-party attachments or other legal impediments.

7.5. The Customer is obliged to keep the products of which **ETI** is still owner insured against all possible risks, in any case the risk of fire and the risk of theft. Any rights which the Customer may have under any insurance agreement or insurance policy have to be transferred to **ETI** immediately after request thereto.

7.6. **ETI** is entitled to retain or to take back the sold or leased Equipment until the Customer has paid the amount due, which includes fees, damages and interest. **ETI** is also entitled to sell the Equipment to a third party and to deduct the revenues from the amount due by the Customer.

7.7. In case of a breach of contract, or anticipatory breach of contract as mentioned in Section 6:80 of the Dutch Civil Code, **ETI** is entitled to – without prior warning – take back the Equipment which had been leased, or had been sold and delivered under retention of title. The Customer hereby gives permission



to **ETI** to enter the premises of the Customer or any other place where the Equipment shall be stored. After the repossession, the amount due shall be decreased with the market value, but increased for the costs in relation to the repossession.

SECTION 8: PAYMENTS

8.1. Prices are quoted ex works (INCOTERMS 2010 apply) including customary packaging, excluding the applicable BTW (for Dutch) or value added tax (VAT); charging of the VAT shall only be waived in case the prerequisites for tax exemption of exportation deliveries are met and documented by the Customer.

8.2. In case ETI sells Equipment, payments shall be made prior to dispatch in accordance with the terms of payment set by ETI. In case the Customer leases Equipment or in case ETI provides other services to the Customer, payment shall become due within 14 days after invoice date. Payments are allocated to costs and damages, then to interest and then to the oldest, payable invoice. In the case of a currency exchange rate deterioration of the amounts paid in a currency not agreed upon between the parties, the Customer shall compensate for the shortfall by additional payment.

8.3. As far as **ETI's** payment claim is jeopardized due to circumstances which cause a substantial deterioration of the Customers financial situation, **ETI** is authorized to declare all payment obligations arising under the business relationship as immediately due and payable; this shall also apply for acceptance of bills of exchange or checks. Under such circumstances **ETI** shall also be entitled to demand advance payments or payment securities for all regular business. The legal remedies for delay in payment shall not be affected by this provision.

8.4. All sums due to **ETI** shall be paid without deduction and payment shall not be withheld or deferred on account of any claim, counterclaim, or set-off. The Customer is not entitled to invoke circumstances beyond one's control, as mentioned in Customer 6:75 of the Dutch Civil Code.

8.5. Invoicing shall be made in EUR. If foreign currency amounts are indicated in the invoices besides the EUR amount, the EUR amount shall govern. Amounts received in foreign currency shall be credited with the proceeds obtained in EUR from them.

8.6. If the term specified in Section 8.2. is exceeded, the Customer will be required without any notice of default to pay a penalty that is set at 2% of the outstanding invoice amount.

8.7. If the Customer files for bankruptcy or for suspension of payments, or



goes or is put into liquidation (solely for amalgamation or restructuring or otherwise) or if a receiver is appointed over any part of the Customer's business or if the Customer suffers the seizure of any property for non-payment of debt, then **ETI** may regard any such circumstances as grounds for immediately terminating the contract without prior notice.

8.8. Termination for any reason shall not discharge the Customer from performing any obligation or from payment of any sums already due or becoming due at the date of termination.

8.9. In the situation, mentioned in Section 8.7., all claims that **ETI** may have on the Customer, will be immediately due and payable.

8.10. All legal and extrajudicial collection costs made by **ETI** in relation to any amount due and/or any breach of contract, are for the Customer's expense and risk. At least, the Customer is obliged to pay a fine of 15% of the total amount due, with a minimum of EUR 250, -, also when only one or more demands for payment have been sent by **ETI**. If the actual amount is more than 15% of the amount due the Customer is obliged to pay that amount.

SECTION 9: COMPLAINTS AND WARRANTY

9.1. The Equipment which **ETI** sells or leases is used and no certificate or quality approval by any third party applies. **ETI** offers no warranty to sold or leased Equipment or on services rendered. The Equipment and services are offered "as is, where is". Sections 7:17 of the Dutch Civil Code is excluded. In case of lease of Equipment, the Customer is liable for defects which arise after the conclusion of the agreement and all costs related thereto. **ETI** does not have to be aware of any defect of the Equipment before entering the agreement whatsoever.

9.2. The Customer is permitted to inspect the Equipment and its quality before entering into an agreement. On request of the Customer, **ETI** will test the Equipment or have the Equipment tested. **ETI** will also upon request ask a third party testimony. However, **ETI** can never be held liable for any information provided by **ETI** itself or third parties.

9.3. The Customer shall promptly upon receipt check the Equipment and notify **ETI** in writing, at the latest within 7 working days of receipt of the Equipment, of any visible defects which occurred during transport. Carton stickers, contents labels or control slips enclosed with the shipment must be enclosed with the notification. The receipt of the notification by **ETI** shall be taken into account when considering the timeliness of the notification.

SECTION 10: FORCE MAJEURE

10.1. For the purposes of Section 10 Force Majeure means: circumstances which prevent **ETI** to perform her obligations under the Agreement and which circumstances don't constitute an attributable shortcoming.

10.2. Force Majeure i.e. means international or national conflicts, (acts of)



war, armed conflicts whether national, international or supranational, measures from any foreign or national authority, boycott (-actions), strike actions whether from third parties or personnel of **ETI**, malfunction of communication equipment or malfunction of other equipment of **ETI**, such as computer (networks).

10.3. During the Force Majeure, all obligations of **ETI** (including the obligation to deliver Equipment) are suspended. If the period of Force Majeure lasts longer than two months, both parties have the right to terminate the agreement without judicial intervention, in which case neither of the parties is obliged to pay any damages at all.

10.4. If **ETI**, when the Force Majeure is in effect, has already partially fulfilled her obligations, **ETI** is then entitled to send an invoice for that part of the agreement. The Customer is obliged to pay that invoice.

SECTION 11: LIABILITY

11.1 The Equipment constitutes of used and uncertified material.

11.2. Therefore, except to the extent expressly prohibited by law:

- a. **ETI** shall not be liable for any personal injury including death or disease to any person employed by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;
- b. **ETI** shall not be liable for any loss or damage to the property of the Customer and its affiliates/subcontractors whether owned, hired, leased or otherwise provided by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/of the use of the Equipment;
- c. **ETI** shall not be liable for any personal injury including death or disease or loss of or damage to the property of any third party caused by the performance of any Agreement and/or the use of the Equipment. For the purposes of this section and the following section “third party” shall mean any party that is not **ETI** or the Customer;
- d. **ETI** shall not be liable for any consequential loss of the Customer and its affiliates/subcontractors and/or any third party which is caused by or arises from the performance of any Agreement and/or the use of the Equipment irrespective of whether such Consequential Loss is caused by the negligence of breach of duty (whether statutory or otherwise of **ETI**). For the purposes of this section “Consequential Loss” shall mean indirect losses and/or loss of production, loss of product, loss of use and loss of revenue, profit or anticipated profit;
- e. **ETI** shall not be liable for any pollution and/or contamination



(including without limitation pollution or contamination emanating from any reservoir or in-hole below the rotary table or above the rotary table which arises from the performance of any Agreement and/or the use of the Equipment.

11.3. The Customer shall be responsible for and shall save, indemnify, defend and hold harmless **ETI** from and against all claims, losses, damages, costs (including legal costs), expenses and liabilities in respect of:

- a. personal injury including death or disease to any person employed by the Customer and its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;
- b. loss of or damage to the property of the Customer and its affiliates/subcontractors whether owned, leased, hired or otherwise provided by the Customer or its affiliates/subcontractors arising from or relating to the performance of any Agreement and/or the use of the Equipment;
- c. personal injury including death or disease or loss of or damage to the property of any third party caused by the performance of any Agreement and/or the use of the Equipment.

11.4. The Customer shall save, indemnify, defend and hold harmless **ETI** from and against any claim of whatsoever nature arising from pollution and/or contamination (including without limitation pollution or contamination emanating from any reservoir or in-hole below the rotary table or above the rotary table which arises from the performance of any Agreement and/or the use of the Equipment.

11.5. The Customer shall save, indemnify, defend and hold harmless **ETI** against all claims, losses, damages, costs (including legal costs), expenses and liabilities resulting from:

- a. the loss of or damage to any well or hole;
- b. blow out, fire, explosion, cratering or uncontrollable oil condition (including the cost to control a wild well and the removal of debris);
- c. damage to any reservoir, geological formation or underground strata of the loss of oil or gas there from;
- d. the use of radioactive tools in relation to the use of the Equipment or any contamination resulting there from (including retrieval and/or containment and clean up);

which arise from the performance of any Agreement and/or the use of the Equipment.

11.6. All exclusions and indemnities given under the above mentioned sections shall apply irrespective of cause and notwithstanding the



negligence or breach of duty (whether statutory or otherwise) of the indemnified party or any other entity or party and shall apply irrespective of any claim in delict under contract or otherwise at law.

11.7. The Customer shall indemnify **ETI** against all fines, penalties and liabilities imposed on **ETI** or arising in respect of any noncompliance or contravention of law or regulation arising from any Agreement and/or from the use of the Equipment.

11.8. **ETI** shall not be liable to the Customer in respect of any incorrect or incomplete advice of information given by ETI or any servant or agent of **ETI** to the Customer.

11.9. If **ETI** nevertheless is liable to pay damages to a third party, Deep Drill has recourse against the Costumer, for all amounts due, including damages, interest and out-of-court costs and the costs of proceedings.

SECTION 12: FINAL PROVISIONS

12.1. Should a provision of these conditions and the further agreements concluded between the parties be or become invalid, then the validity of the remaining provisions shall be unaffected by such partial invalidity.

12.2. The contracting parties undertake not to make any information received by the other contracting party including this contract accessible to third parties either directly nor indirectly verbally or written or in any other way with the exception of members of their respective corporate group. The obligation for confidentiality does not apply in case information is disclosed to the third party with the express written consent of the disclosing contracting party. The disclosing party reserves all rights for its information.

12.3. The parties' rights and obligations arising out of or in connection with these Terms and Conditions shall be governed, construed, interpreted and enforced according to the laws of The Netherlands. Dutch rules on conflict of laws as far as they refer to a foreign law, the Hague uniform law of sales, the UN uniform law of sales or other international conventions about sales laws shall not be applicable, excluding principles of conflict of laws. The applicability of the United Nations Convention on Contracts for the International Sale of Goods (CISG) is excluded.

12.4. The parties agree that any suits, actions or proceedings that may be instituted by any party shall be initiated exclusively before the competent court in The Netherlands, in this case the court that has power within the place where the company's registered office is situated without prejudice to **ETI's** right to submit the relevant case to the court which would have jurisdiction if this provision has not been incorporated



in the Terms and Conditions, and the parties do hereby consent to the jurisdiction of those courts and waive any objection which they may have, now or hereafter, to venue of those suits, actions or proceedings.

12.5. Changes and additions on these “Terms and Conditions Equipment Sales and Services” will be filed at the Office of The District Court in Alkmaar. In case these changes and additions are sent to the Customer by **ETI**, they will be binding after 30 days.