



THIS AGREEMENT CONTAINS PROVISIONS RELATIVE TO ALLOCATION OF RISK, INCLUDING INDEMNITY, RELEASE OF LIABILITY AND INSURANCE RIGHTS.

1. **General.** This electronic or written purchase order ("**Order**") is comprised of the face of the Order, these *Savanna Drilling LLC Purchase Order Terms and Conditions for Goods and Services* ("**Terms**") and such other documents incorporated by reference on the face of the Order by Savanna Drilling LLC ("**Savanna**" or "**Purchaser**"). Savanna agrees to purchase and the seller, contractor or vendor identified on the face of the Order (the "**Supplier**") agrees to provide the goods and/or services described on the face of the Order ("**Goods**" and "**Services**" as applicable, and together, the "**Work**"), in accordance with the Terms, which shall exclusively control and govern the provision of the Work and are expressly referenced and incorporated on the face of the Order.
2. **Operator Agreements.** Where the Work is provided in support of Savanna's obligations under an agreement with one or more third party operators (each, as applicable, an "**Operator**") (the "**Operator Agreement**") (a redacted version of which will be provided to Supplier upon its request), Supplier agrees that it will (a) comply with all obligations and liabilities applicable to a subcontractor under Operator Agreement; (b) to the extent applicable to the Work, assume and be liable for all obligations and liabilities of Supplier under or relating to Operator Agreement and obtain the benefit of all of the rights, liabilities and indemnifications of Savanna under Operator Agreement in the place and stead of Savanna; and (c) not make any claim or demand against an Operator or its affiliates, partners, joint owners, joint venturers and contractors (excluding Savanna Group (as defined below)) and the directors, officers, agents, representatives, employees, invitees and consultants of each (collectively, with Operator, the "**Operator Group**"), which is not entitled to be made by Savanna and its subcontractors pursuant to the terms of the Operator Agreement.
3. **Entirety and Conflicts.** This Order contains the complete agreement between Supplier and Savanna with respect to the Work, and supersedes any prior agreements, understandings or representations, and any terms either expressed or implied by law. Savanna's acceptance of any Work will not constitute Savanna's assent to any additional terms and conditions contained in any accompanying document provided by Supplier. **SUPPLIER HEREBY WAIVES AND ACKNOWLEDGES AS NULL AND VOID ANY TERMS AND CONDITIONS PERTAINING TO THE PROVISION OF THE WORK BY SUPPLIER TO SAVANNA OTHER THAN THESE TERMS, WHETHER CONTAINED IN ANY DOCUMENTATION PROVIDED BY OR ON BEHALF OF SUPPLIER OR OTHERWISE.** These Terms, as amended or modified, shall take precedence over the remainder of the Order to the extent of any conflict. Terms may only be amended or modified specifically in writing signed by an authorized representative of each party.
4. **Acceptance of Terms.** The following shall constitute unqualified acceptance by and agreement of Supplier of and to all terms and conditions of this Order: (a) Supplier furnishes any Goods or commences performance of Services under the Order; (b) Supplier's written or electronic acknowledgment; and/or (c) Supplier's acceptance of payment.
5. **Representations.** Each party represents and warrants that: (a) it has all necessary approval, authority and resources to execute, deliver and perform its obligations under this Order; (b) it is validly existing under the laws of its jurisdiction of formation; and (c) it is authorized to carry on business in the jurisdiction where the Work will be provided.
6. **Changes.** Savanna may from time to time change the Work to be provided and Supplier agrees to diligently perform its obligations as changed, pending equitable resolution between the parties of any changes to time or cost. Within 5 days of receipt of notice of such change, Supplier shall provide Savanna in writing any impact to Price (as defined below) or delivery schedule as a result of the change, failing which Supplier waives its rights to claim any adjustment. Delivery schedule and cost will only be modified as set out in a revised Order issued by Savanna and accepted by both parties, acting reasonably.
7. **Time of Performance.** Supplier covenants to complete any Services by the date specified in the Order and properly deliver any Goods in accordance with the delivery schedule. Supplier acknowledges that time is of the essence with respect to Supplier's obligations and shall at its option be entitled to terminate the Order without liability and/or recover from Supplier all losses and costs incurred by Savanna if the specified delivery or completion date is not met. Supplier shall immediately notify Savanna in the event it anticipates any delay in the completion of the Work and take at Supplier's sole cost and expense all necessary actions to mitigate such delay as approved by Savanna.
8. **Quality Assurance.** Work furnished under the Order shall be subject to inspection and/or testing by Savanna or its authorized representatives at all reasonable times during manufacture of the Goods or performance of the Services for verification of quality and to make certain it conforms with the requirements of the Order. Savanna shall be allowed reasonable access to Supplier's facilities for such purposes. Nothing herein obligates Savanna to engage in any inspection or testing, and neither Savanna's inspection nor failure to inspect or reject shall relieve Supplier of any of its warranties or obligations under the Order. Supplier shall not charge Savanna for time or costs in connection with inspection or testing. In the event that Savanna advises that any Work is not in conformity with the Order requirements, Supplier shall immediately rectify the non-conforming Work at Supplier's sole cost and expense, including the costs of reinspection and schedule impact.
9. **Title and Risk.** Supplier shall provide full and unrestricted title to Savanna for Work provided, free and clear of any and all liens, charges, restrictions, reservations, security interests and encumbrances. Title to Goods or part thereof shall be vested in Savanna upon the first to occur of: (a) dispatch of the Goods to the delivery site; and (b) payment by Savanna for such Goods, or part thereof, subject to Savanna's rights to withhold, setoff and reject non-conforming Goods. Notwithstanding the above, Supplier shall bear all risk of loss or damage to Work until receipt of delivery and acceptance of Work is completed by Savanna. Supplier does not have any right to withhold Goods from agreed delivery or cease or delay delivery of Services due to any dispute.
10. **Delivery of Goods.** Except as otherwise specifically agreed in the Order, Supplier shall, at its sole cost and expense: (a) be responsible for loading, delivering all Goods to the delivery site(s) specified in the Order and unloading; (b) secure and package all Goods so as to prevent loss, damage or deterioration during loading, transportation and off-loading; (c) include Savanna's name and Order number on all transportation papers and packing lists and include a complete packing slip with each shipment; (e) track and advise Savanna of tracking information for each shipment; and (g) comply with Applicable Law (as defined below) regarding the handling and transportation of Goods. If Goods have been dismantled for transport, Supplier shall, mark and code all components disassembled for easy reassembly by Savanna at the delivery site. , Supplier shall provide to Savanna all Material Safety Data Sheets ("**MSDS**") applicable to the Goods at or before the time of the initial shipment and promptly provide any updates.
11. **Acceptance of Goods.** All Work shall be subject to final inspection and acceptance by Savanna at the delivery site and Savanna shall have the right to reject Work which does not meet the standards required under this Order. Without limiting any other rights it may have, after rejecting the Work, Savanna may, at its sole option and Supplier's sole cost and expense: (a) return the Goods to Supplier; (b) hold the Goods; (c) elect to accept the Work at a reduced Price as determined by Savanna, acting reasonably; (d) require Supplier to promptly replace the Goods or correct the Services; and/or (e) require Supplier to provide on-site technical assistance and corrective action to ensure the Work is in compliance with the Order. Supplier shall promptly refund any payments for Work rejected by Savanna. Acceptance of any Work will not alter or affect the warranties herein.



12. **Performance.** Supplier shall provide the Work with due diligence and care and in a good, safe, prudent and workmanlike manner in accordance with best oilfield and industry practices and standards of workmanship. Supplier shall, at Supplier's sole responsibility, cost and expense: (a) secure and maintain all necessary permits, certificates, licenses or other authorizations required to provide the Work; (b) perform all labour and furnish all materials, parts and spare parts, supplies, tools, equipment and transportation necessary to provide the Work, other than those items which Savanna specifically agrees in writing to furnish or pay for; (c) employ, engage or subcontract and train and supervise properly licensed, skilled, experienced, qualified and competent personnel to perform the Services and, upon Savanna's request, remove any Supplier Personnel behaving in an unsafe or inappropriate manner from the performance of the Services; (d) ensure that all equipment used in the provision of the Services is safe, in good working order, suitable for the purposes for which it is used and conforms to all Applicable Law and standards specified by Savanna; (e) ensure the safety of all Supplier Personnel and all other persons affected by the Work; (f) provide Savanna with a copy of all test results, records, and other data generated in connection with the Work; and (g) ascertain, before providing any Work, whether any drawings and specifications are at variance with Applicable Law and good engineering and operational practices, notify Savanna of such variances, and with Savanna's agreement ensure that any necessary changes are made.

13. **Compliance.** In the provision of the Work, Supplier shall ensure that all agents, manufacturers, suppliers, subcontractors of any tier and any other parties that Supplier subcontracts or engages to perform all or a part of the Work ("**Subcontractors**") and all persons employed, engaged or subcontracted by Supplier or its Subcontractors ("**Supplier Personnel**") (a) strictly comply with all applicable laws, orders, rules, regulations, standards, codes and bylaws imposed or issued by any federal, state or local government having jurisdiction over the parties or the Work, including without limit, laws governing workers compensation, occupational health and safety, human rights, anti-bribery, anti-corruption, employment, transportation and handling of hazardous goods and environmental protection ("**Applicable Law**"). Supplier shall promptly remedy any violation of Applicable Law by Supplier, its affiliates, Subcontractors and the directors, officers, agents, representatives, employees, invitees and consultants of each of the foregoing (with Supplier, the "**Supplier Group**") and pay and discharge all charges, penalties and fines imposed or levied upon Savanna any as a result of such violation, and **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE SAVANNA GROUP FROM AND AGAINST ALL AWARDS, CAUSES OF ACTION, CLAIMS, COSTS, SUITS, LIENS, EXPENSES, DAMAGES, DEMANDS, JUDGMENTS, LIABILITIES AND LOSSES OF ANY CHARACTER, KIND AND NATURE INCLUDING, WITHOUT LIMIT, REASONABLE ATTORNEY'S FEES, COURT COSTS, FINES, PENALTIES, INTEREST AND REMEDIAL OBLIGATIONS (COLLECTIVELY, "CLAIMS") ARISING OUT OF THE FAILURE OF SUPPLIER GROUP TO COMPLY WITH APPLICABLE LAW;** and (b) strictly comply with all applicable health, safety, business, environmental, security or other applicable policies and procedures of Savanna and any Operator, as applicable ("**Policies**"), including without limit, Total Energy Services Inc.'s *Code of Business Conduct* <http://www.savannaenergy.com/wp-content/uploads/2018/09/2018-01-01-Code-of-Business-Conduct-Cover-Letter.pdf> (the "**Code**"), Total Energy Service Inc.'s *Whistleblower Policy* <http://www.totalenergy.ca/about-us/corporate-policies/> and the current fitness for work/substance abuse policies of Savanna and Operator.

14. **Services at a Worksite.** With respect to all Services to be provided at a Savanna or Operator worksite (each a "**Worksite**"), Supplier accepts the Worksite and acknowledges that prior to commencing any Services it will have investigated and satisfied itself as to its location and condition, including without limit, accessibility, surface conditions, environmental risks, utilities, roads and uncertainties of seasonal weather. Any failure by Supplier to discover any such matters will not relieve Supplier of its obligations under this Order. Supplier will take all necessary precautions to prevent personal injury, loss or damage to property and harm to the environment in connection with the performance of the Services at the Worksite and shall provide and maintain all necessary signs, signals, crossings and other precautions. Supplier agrees that it will cause the least possible interference with Savanna's or Operator's operations at a Worksite. Supplier shall not permit any invitee at a Worksite that is not a permitted without the consent of Savanna and will remove any invitee from the site upon Savanna's request. Supplier shall not permit the emission, discharge or release of pollutants, contaminants or other substances from Supplier Group equipment or a source in the care and control of Supplier Group. Upon completion or any termination of the Services, Supplier will promptly remove all associated materials, equipment and waste and will clean up the Worksite, including without limit, all pollution and contamination for which it is responsible, to Savanna's satisfaction. **SUPPLIER SHALL BE LIABLE FOR AND DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE SAVANNA GROUP FROM AND AGAINST ALL CLAIMS ARISING OUT OF ANY RELEASE OR DISCHARGE OF ANY POLLUTANT, CONTAMINANT OR OTHER SUBSTANCE BY SUPPLIER GROUP OR EMANATING FROM SUPPLIER GROUP EQUIPMENT OR A SOURCE IN THE CARE AND CONTROL OF SUPPLIER GROUP.**

15. **Incident Reporting.** Supplier shall notify Savanna immediately of any incident or accident resulting in (a) personal or bodily injury, illness or death of any person; (b) damage to or loss of property of any person; and/or (c) damage to the environment (including, without limit, spills) in connection with the Work and confirm any verbal notice in writing within 24 hours. Supplier shall comply with Savanna and Operator's investigation and provide to Savanna copies of all incident reports it produces in its investigation. Supplier also agrees to immediately report all notifications, advice or other contact from regulatory officials relating to the Work.

16. **Warranty.** In addition to any other express or implied warranties, Supplier warrants that the Work (a) will be free and clear of all liens and charges; (b) will strictly conform to the specifications described in the Order; (c) will conform with Applicable Law; (d) will not infringe any patent, license, trademark, copyright, trade secret or intellectual property rights of similar nature which have been issued or are pending; (e) for Services, will be free of defects and performed with the skill, care and diligence of a prudent and experienced service provider in accordance with the best oilfield and industry practices and standards of workmanship; and (f) for Goods, (i) will be of merchantable quality, safe and fit for the purpose(s) intended; (ii) will be new, except as specifically otherwise provided in the Order, in which case, the Goods are not of such age or so deteriorated as to impair their usefulness or safety; (iii) are authentic items and materials and not counterfeit; and (iv) will be of good material and workmanship and free from all defects (including latent defects), including, without limit, those of design, material, quality and title. Supplier's warranties shall apply to Goods for a period that is the later of 18 months following delivery and 12 months from the date upon which Goods are placed into regular use, and to Services for a period that is 12 months from the date of completion of Services, or such longer period as required under an Operator Agreement (each, as applicable, the "**Warranty Period**"). Supplier shall be responsible, at Savanna's option and to Savanna's satisfaction, for the prompt reperformance, repair or replacement of Work that within the applicable Warranty Period is found to have any defect, error, nonconformity, omission, deficiency or breach of warranty, and for all cost and expenses related thereto including without limit, transportation, duties, assembly, removal, disassembly, dismantling, packaging, reassembly, reinstallation and recalibration. If Supplier delays or fails in so rectifying Savanna may, at its option and at Supplier's sole cost and expense: (a) reperform, repair or replace the defect, deficiency or cause of the failure; or (b) reject defective Goods and return same to Supplier for a full refund. Any reperformance, repair or replacement shall be warranted for a further 6 months from Savanna's acceptance of same, or to the expiry of the original Warranty Period, whichever is longer. In addition, the Warranty Period shall be extended for a



SAVANNA DRILLING LLC PURCHASE ORDER TERMS AND CONDITIONS FOR GOODS AND SERVICES

period equal to the time during which the Work cannot be used by reason of the reperformance, repair or replacement. Without prejudice to Savanna's rights and Supplier's obligations hereunder, Supplier shall also obtain from its Subcontractors, for the direct benefit of both Supplier and Savanna, such warranties as are normally offered by such subcontractors in connection with any goods and/or services supplied by them. Supplier shall give Savanna all reasonable assistance to enforce such Subcontractor warranties or make and diligently pursue a claim for Savanna's benefit if so requested.

17. Suspension. Savanna may at any time require Supplier to suspend the Work in whole or in part without liability to Savanna. Supplier shall discontinue suspended Work in accordance with Savanna's instructions, minimize any costs associated with the suspension and protect all goods, materials, supplies and equipment relating to the Work. Supplier shall resume suspended Work as directed by Savanna. Subject to Savanna's withholding and setoff rights, Savanna's sole responsibility to Supplier with respect to any suspended Work shall be to make payments for the portion of Work properly completed prior to the suspension, as determined by Savanna acting reasonably, and any Work specifically authorized by Savanna during the period of suspension. **EXCEPT AS SPECIFIED IN THE ORDER, SAVANNA SHALL NOT BE LIABLE FOR ANY CLAIMS OF SUPPLIER RESULTING FROM SUSPENSION AND SUPPLIER SHALL HAVE NO RIGHTS OR CLAIMS WITH REGARD TO ANY SUSPENDED WORK THAT WAS TO BE PERFORMED OR DELIVERED AFTER THE DATE OF SUCH SUSPENSION.** Supplier shall continue to perform all Work which is not suspended.

18. Termination. Savanna, by written notice to Supplier, may at any time require Supplier to terminate the Work in whole or in part without liability to Savanna. Supplier shall cease terminated Work, place no further orders, make all reasonable efforts to obtain cancellation of orders on terms satisfactory to Savanna and, to the extent directed by Savanna, deliver finished Goods, raw materials and parts to and assign subcontracts to Savanna. Subject to Savanna's withholding and setoff rights hereunder, Savanna's sole responsibility to Supplier with respect to terminated Work, shall be to make payments for the portion of Work properly completed prior to the termination and such unavoidable reasonable actual and direct costs of cancellation substantiated by Supplier within 30 days of termination. **EXCEPT AS SPECIFIED IN THE ORDER, SAVANNA SHALL NOT BE LIABLE FOR ANY CLAIMS OF SUPPLIER RESULTING FROM TERMINATION AND SUPPLIER SHALL HAVE NO RIGHTS OR CLAIMS WITH REGARD TO ANY TERMINATED WORK THAT WAS TO BE PERFORMED OR DELIVERED AFTER THE DATE OF SUCH TERMINATION.** Supplier shall continue to perform all Work which is not terminated.

19. Termination for Cause. In the event Supplier: (a) becomes insolvent or makes an assignment on behalf of creditors or is the debtor named in bankruptcy, receivership or similar proceedings; (b) is in material breach of the performance of obligations under the Order and fails to correct such non-performance within 3 days of receipt of written notice of default from Savanna; or (c) materially violates any Applicable Law or Policies, Savanna, in addition to any other remedies available to it at law or equity, may at any time and without liability terminate for cause the Work, in whole or in part, by delivering written notice to Supplier. In such event, Savanna at its option may take possession of and finish terminated Work if and by whatever method Savanna deems appropriate, including without limit, purchase of substitute Goods and Services, provided that nothing herein shall require Savanna to pay for any Goods, completed or otherwise in production, of which it does not wish to purchase or take ownership. Supplier shall be responsible to Savanna for all increased costs associated with Savanna's completion of the Work. Further, Savanna may withhold any amounts then due to Supplier until final completion of the Work by Savanna or others and set off from such amounts any such increased costs and any Claims incurred by Savanna as a result of the termination for cause.

20. Price and Payment. Supplier's full compensation for provision of the Work (the "Price") shall be in accordance with the rates, fees, prices and costs specified in the Order, and shall not be subject to escalation resulting from changes in same, or in taxes, duties, surcharges or otherwise. Unless otherwise specified as in the Order, the Price includes all packaging, transportation costs to the delivery site (including without limit loading and unloading), insurance, customs duties and fees and applicable taxes. Savanna shall have no obligation to pay any invoice received later than 60 days after completion of the Work and Supplier waives any and all Claims against Savanna for such amounts. Supplier shall provide detailed invoices via means of delivery specified by Savanna promptly after completion of the relevant Services or delivery of the relevant Goods. Each invoice must contain: (a) Supplier's name and address; (b) Savanna's name and address; (c) the issue date of the invoice and individual invoice number; (d) the Order number; (e) the quantity and description of each item invoiced; and (g) supporting documentation acceptable to Savanna including legibly signed field tickets, Subcontractor invoices, Supplier Personnel time sheets and itemized reimbursable expense receipts, with reference to payment terms and/or other special terms in the Order. Failure to comply with the above invoicing instructions and any other invoicing instructions provided with the Order may delay or prevent payment to Supplier. Savanna shall use reasonable efforts to pay properly invoiced amounts within 60 days of receipt, subject to its rights to withhold and setoff. The final payment for the Work shall not relieve Supplier of liability for non-conforming Work. Acceptance of final payment by Supplier shall constitute a waiver of any and all claims of Supplier Group against Savanna. Savanna shall have the right to withhold payments otherwise due to Supplier unless and until the Order is executed in writing by Supplier and provided to Savanna.

21. Holdbacks. Notwithstanding any other provision herein, without liability for interest, Savanna may (a) withhold from payment to Supplier any amount disputed in good faith; and/or (b) set-off against or deduct from any payment due to Supplier hereunder the full amount of any sums owed by Supplier for any reason to Savanna or for which Savanna may become liable by reason of Supplier's provision of the Work.

22. Taxes. Supplier shall be solely liable for and agrees to pay and discharge all valid taxes, lienable claims, assessments, charges or other impositions whatsoever imposed by Applicable Law on Contractor in respect of the Work (including any penalties and interest thereon), including without limit all payroll taxes, all assessments or charges for social security purposes, unemployment compensation, old-age pensions or benefits, annuities or other charges that are required to be made with respect to or measured by the wages and salaries of Supplier Personnel. **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA FROM AND AGAINST ALL CLAIMS THAT MAY BE BROUGHT AGAINST OR SUFFERED BY SAVANNA RELATING TO ANY SUCH TAXES, LIENABLE CLAIMS, ASSESSMENTS, CHARGES AND IMPOSITIONS FOR WHICH SUPPLIER IS RESPONSIBLE. SUPPLIER AGREES TO REQUIRE THIS SAME AGREEMENT FROM EACH MEMBER OF SUPPLIER AND TO INDEMNIFY THE SAVANNA GROUP FOR ANY BREACH OR FAILURE TO OBTAIN SUCH AGREEMENTS.**

23. Liens. Supplier shall promptly pay all amounts due for labour, materials, equipment, parts, tools, supplies and services used in connection with its provision of the Work and shall not permit any lien or charge to be placed on or against the Work or any property of Savanna or Operator, and if any lien or charge is so placed, shall at Supplier's sole cost and expense cause the immediate release and discharge of same. Should Supplier fail to remove any lien or charge in a timely manner, Savanna shall have the right but not the obligation to settle such claim and discharge any lien as it deems appropriate, and all costs and expenses associated with such actions shall be borne by Supplier. Upon completion of the Work, Supplier shall provide Savanna a final release of all liens and charges in a form acceptable to Savanna and effective upon release of Savanna's final payment, failing which, **SUPPLIER AGREES TO BE LIABLE**



TO AND DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA FROM AND AGAINST ANY CLAIMS ARISING OUT OF OR IN CONNECTION WITH ANY SUCH LIENS OR CHARGES.

24. **Audit.** Savanna shall have the right, at any reasonable time before and within 3 years after the date of completion of the Work (or such longer period as may be required pursuant to any applicable Operator Agreement), to audit Supplier's accounts and records as required to verify any billing, charge or fee regarding the Order and compliance with the Order and Supplier will provide Savanna reasonable access to its documentation, personnel and facilities in support of any such audit and will permit Savanna to reproduce any relevant records. Supplier shall maintain accurate and complete accounts and records in accordance with generally accepted accounting principles and shall preserve such accounts and records during such audit period and until such time as any claims and discrepancies are resolved, or such longer period as maybe required by Applicable Law. Supplier shall immediately pay Savanna any amounts Savanna overpaid. Supplier shall ensure that all of its Subcontractors provide Savanna with similar rights of audit.

25. **Independent Contractor.** Supplier shall provide the Work as an independent contractor and nothing contained in this Order shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties. **Supplier is solely responsible for all Supplier Personnel in its performance under the Order and Savanna shall have no responsibility or liability for any wages, salaries or benefit plans for Supplier Personnel, including without limit, workers compensation, pension, disability, life insurance coverage, stock options or medical, health or dental benefits. SUPPLIER SHALL PROTECT, DEFEND, INDEMNIFY AND HOLD HARMLESS THE SAVANNA GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF THE FAILURE OF ANY MEMBER OF SUPPLIER GROUP TO PAY FOR SUCH SUPPLIER PERSONNEL BENEFITS AND AGREES TO REQUIRE THIS SAME AGREEMENT FROM EACH MEMBER OF SUPPLIER GROUP.** Supplier and Supplier Personnel shall have no authority to represent or bind Savanna. Savanna is free to deal with any other Supplier during the term of this Order. Savanna shall have no direction or control over Supplier or Supplier Personnel, except in the results to be obtained. In the event Work is performed in Texas or under Texas law and Supplier does not purchase Texas Workers' Compensation coverage, Supplier will, prior to performing any Work hereunder, notify Savanna in writing and require both Supplier and Savanna to sign TWCC-85 (4/91) or similar form establishing an independent contractor relationship under the Texas Workers' Compensation Act, or, if performed outside of Texas, comparable forms as required by Applicable Law.

26. **Items furnished by Savanna.** Any items to be furnished by Savanna shall be specifically identified in the Order and are provided to Supplier on an "as is" basis with no warranty of performance and at the sole risk and liability of Supplier to ensure that such items are fit for the use intended and in proper working order. **SUPPLIER SHALL BE LIABLE TO AND DEFEND, INDEMNIFY RELEASE AND HOLD HARMLESS SAVANNA FROM AND AGAINST ALL CLAIMS ARISING OUT OF SUPPLIER'S USE OR STORAGE OF ANY ITEMS FURNISHED BY SAVANNA.** Supplier agrees to use any equipment provided by Savanna in accordance with industry standard operating procedures, in compliance with Applicable Law and to return the equipment to Savanna in working condition, reasonable oilfield wear and tear excepted.

27. **Supplier Rental Equipment.** Notwithstanding any provision herein to the contrary, title to any rental equipment provided by Supplier shall remain with Supplier. Supplier shall at its sole cost and expense deliver all equipment rented by Savanna to and from the delivery site designated by Savanna unless otherwise agreed by Savanna in writing. Supplier represents that it has fully inspected all rental equipment prior to delivery and warrants that it is in good working order, free from defects, complies with Applicable Laws and is fit for its intended use by Savanna. Supplier shall promptly rectify and defect by promptly repairing or replacing the equipment and shall not be entitled to any compensation for defective equipment. Savanna agrees to use the rental equipment in accordance with industry standard operating procedures, in compliance with Applicable Law and to return the equipment to Supplier in working condition, reasonable oilfield wear and tear excepted. Savanna shall bear the risk of loss to Supplier rental equipment while Savanna's exclusive care, custody, and control, but only to the extent such loss or damage is not caused by the fault of the Supplier Group or any defect in the equipment. In the event a separate rental agreement is signed between the parties, these Terms shall take precedence to the extent of any conflict.

28. **Liability and Indemnity.** Savanna and the Supplier agree that in order to avoid protracted litigation between them along with associated attorney fees and costs, and so that insurance or self-insurance may be arranged by each party as necessary to protect them against exposure to loss, their respective responsibilities for liabilities arising out of personal injury or property damage arising out of the performance of this Order shall be allocated as follows, to the fullest extent permitted by law:

(a) **SUPPLIER SHALL BE LIABLE FOR AND DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA AND ITS PARENTS, AFFILIATES, SUBCONTRACTORS OF ANY TIER (OTHER THAN SUPPLIER) AND THE DIRECTORS, OFFICERS, AGENTS, REPRESENTATIVES, EMPLOYEES, INVITEES AND CONSULTANTS OF EACH OF THE FOREGOING (WITH SAVANNA, THE "SAVANNA GROUP") AND THE OPERATOR GROUP (IF APPLICABLE, UNLESS PROVIDED OTHERWISE IN OPERATOR'S AGREEMENT WITH SAVANNA) FROM AND AGAINST ANY AND ALL CLAIMS FOR (i) PERSONAL OR BODILY INJURY TO, OR ILLNESS, DISEASE OR DEATH, OF ANY MEMBER OF SUPPLIER GROUP; (ii) LOSS OF OR DAMAGE TO ANY PROPERTY OWNED, LEASED, RENTED OR HIRED BY ANY MEMBER OF SUPPLIER GROUP, IN ANY MANNER INCIDENT TO OR CONNECTED WITH OR ARISING OUT OF THE WORK OR THIS ORDER; AND (iii) LOSS OR DAMAGE TO ANY PROPERTY OWNED, LEASED, RENTED OR HIRED BY SAVANNA WHEN IN THE CARE, CUSTODY AND CONTROL OF ANY MEMBER OF SUPPLIER GROUP, ALL REGARDLESS OF THE CAUSE, INCLUDING, WITHOUT LIMITATION, THE SOLE, JOINT, COMPARATIVE, CONTRIBUTORY OR CONCURRENT NEGLIGENCE, FAULT, STRICT LIABILITY, PRODUCT LIABILITY, PREMISES LIABILITY, ACT OR OMISSION, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF WARRANTY, BREACH OF CONTRACT, OR ANY OTHER LEGAL FAULT OR RESPONSIBILITY OF SAVANNA GROUP, OPERATOR GROUP, OR ANY OTHER PERSON, PARTY OR ENTITY OR ANY OTHER CAUSE WHATSOEVER.**

(b) **SAVANNA SHALL BE LIABLE FOR AND DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SUPPLIER GROUP FROM AND AGAINST ANY AND ALL CLAIMS FOR (i) PERSONAL OR BODILY INJURY TO, OR ILLNESS, DISEASE OR DEATH OF, SAVANNA OR ITS EMPLOYEES; AND (ii) EXCEPT AS PROVIDED IN SECTION 28 (a) (iii) ABOVE, LOSS OR DAMAGE TO ANY PROPERTY OWNED, LEASED, RENTED OR HIRED BY SAVANNA OR ITS EMPLOYEES, IN ANY MANNER INCIDENT TO, CONNECTED WITH OR ARISING OUT OF THE WORK OR THIS ORDER, ALL REGARDLESS OF THE CAUSE, INCLUDING, WITHOUT LIMITATION, THE SOLE, JOINT, COMPARATIVE, CONTRIBUTORY OR CONCURRENT NEGLIGENCE, FAULT, STRICT LIABILITY, PRODUCT LIABILITY, PREMISES LIABILITY, ACT OR OMISSION, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF WARRANTY, BREACH OF CONTRACT, OR ANY OTHER LEGAL FAULT OR RESPONSIBILITY OF SUPPLIER GROUP, OR ANY OTHER PERSON, PARTY OR ENTITY OR ANY OTHER CAUSE WHATSOEVER.** (c) Each party agrees that its indemnity obligations herein will be supported by carrying insurance with at least the minimum amounts provided in Section 29 Insurance, provided that such insurance not limit each party's indemnity obligations except to the extent mandated by Applicable Law. To the extent that Applicable Law prohibits monetary limits of insurance required or the indemnities voluntarily assumed



SAVANNA DRILLING LLC PURCHASE ORDER TERMS AND CONDITIONS FOR GOODS AND SERVICES

hereunder, the requirements hereunder will automatically be revised to conform, to the maximum extent permitted, with Applicable Law. If a party does not carry insurance in the minimum amounts as specified in regard to the mutual indemnity obligations then it is agreed that the party has approved self-insurance for purposes of this Order.

(d) Each party shall promptly notify the other party of any Claim and afford the indemnitor the opportunity to assume the defence of such Claim. The indemnitee may participate in the defence of any action to which it is a party at its sole expense without relieving indemnitor from its obligations hereunder. In the event that a Claim is tendered to indemnitor and indemnitor wrongfully denies or otherwise does not accept the tender, then in addition to its other obligations, indemnitor shall pay all costs and expenses, including reasonable attorney fees and costs incurred by indemnitee.

(e) **BOTH PARTIES WAIVE AND RELEASE ALL CLAIMS AGAINST THE OTHER PARTY AND ITS GROUP AND THE OPERATOR GROUP (EXCEPT AS MAY BE OTHERWISE PROVIDED IN OPERATOR'S AGREEMENT WITH SAVANNA) FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMIT, CLAIMS FOR LOSS OF REVENUE, PROFIT OR USE OF CAPITAL, PRODUCTION DELAYS, LOSS OF PRODUCT, LOSSES RESULTING FROM FAILURE TO MEET OTHER CONTRACTUAL COMMITMENTS OR DEADLINES AND DOWNTIME OF FACILITIES, DIRECTLY OR INDIRECTLY ARISING OUT OF THIS ORDER REGARDLESS OF THE CAUSE, INCLUDING, WITHOUT LIMITATION, THE SOLE, JOINT, COMPARATIVE, CONTRIBUTORY OR CONCURRENT NEGLIGENCE, FAULT, STRICT LIABILITY, PRODUCT LIABILITY, PREMISES LIABILITY, ACT OR OMISSION, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF WARRANTY, BREACH OF CONTRACT, OR ANY OTHER LEGAL FAULT OR RESPONSIBILITY OF SUPPLIER GROUP, OR ANY OTHER PERSON, PARTY OR ENTITY OR ANY OTHER CAUSE WHATSOEVER, EXCEPT THAT SUCH RELEASE SHALL NOT APPLY TO SUPPLIER'S BREACH OF THE PROVISIONS HEREUNDER REGARDING CONFIDENTIAL INFORMATION OR INTELLECTUAL PROPERTY.** This Section 28(e) shall in no way limit a party's indemnification obligations under Sections 28(a) and (b) as applicable.

(f) Supplier shall ensure that its Subcontractors provide the same indemnity protection to Savanna as Supplier is required to provide to Savanna under this Order.

29. Insurance. Supplier, at its sole cost and expense, shall secure and maintain and shall cause its Subcontractors to secure and maintain, the following insurance coverages with limits not less than the amounts specified, and with insurance carriers satisfactory to Savanna who are authorized to do business in the jurisdiction where the Work is provided: (a) Comprehensive General Liability insurance having a combined single limit of \$2,000,000 per occurrence (or such greater limit as may be specified in the Order), for bodily injury, death, and property damage, including products liability, completed operations, tortious liability, contractor's protective liability and contractual liability coverage; (b) any other insurance that may be specified in this Order; and (c) any other insurance required by Applicable Law. If Supplier is providing Services, then it shall also carry (d) Automobile Liability covering all motor vehicles used in the provision of the Services, owned, hired and non-owned, having a combined single limit of not less than \$2,000,000 per occurrence; (e) Workers' Compensation in accordance with Applicable Law of the State in which the Services are performed, as well as federal laws, if applicable; with Alternate Employer endorsement and Employer's Liability or "Stop-Gap" Employer's Liability, where required by State law, covering all personnel performing the Services having a limit of not less than \$1,000,000 per occurrence; (f) Excess/Umbrella Liability (with coverage at least as broad as the underlying policy) with limits of not less than \$3,000,000 per occurrence; and (g) any other insurance required by Applicable Law. All such insurance coverage and policies shall: (i) be considered primary and not excess to any insurance carried by Savanna; (ii) to the maximum extent permitted by law shall be endorsed to provide a waiver of subrogation rights which the insurers might have against the Savanna Group and the applicable Operators; (iii) be endorsed to name the Savanna Group and the applicable Operators as additional insureds (except Workers' Compensation); and (iv) contain a clause providing Supplier notice in writing at least 30 days prior to any change in or reduction of coverage. Supplier shall immediately provide Savanna with a copy of any such notice that it may receive. Attorney fees and costs and court costs shall be in addition to the policy limits set forth above. Supplier is solely responsible for payment of all deductibles. No "other insurance" clause may be invoked by any insurer. Supplier shall provide to Savanna a certificate of insurance as evidence that the insurance required hereunder is in place prior to the commencement of Work, upon any expiry of such certificate and upon request by Savanna. Supplier shall also ensure that all of its Subcontractors maintain insurance providing the same insurance coverage and subject to the same terms and conditions applicable to Supplier under this section. Savanna shall not be under any duty to advise Supplier in the event that Supplier's insurance is not in compliance with this Order and receipt and/or acceptance by Savanna of any insurance certificate of Supplier shall not constitute acknowledgment by Savanna of any of the adequacy of coverage, compliance with the requirements of this Order. Supplier's compliance with the insurance provisions herein shall not constitute a limitation of Supplier's liability hereunder or in any way modify Supplier's indemnification obligations. **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA GROUP FROM AND AGAINST ALL CLAIMS THAT MAY BE BROUGHT AGAINST OR SUFFERED BY SAVANNA GROUP DUE TO SUPPLIER GROUP'S FAILURE TO COMPLY WITH ALL OF THE ABOVE INSURANCE REQUIREMENTS, INCLUDING WITHOUT LIMIT THE OBTAINING OF WAIVERS OF SUBROGATION, OR DUE TO ANY INSURANCE COVERAGE BEING INVALIDATED DUE TO FAILURE TO COMPLY WITH THEIR INSURANCE POLICIES.**

30. Confidential Information. All information in any form relating to Savanna's or an Operator's business, including without limit, technical, commercial or financial information relating to operations, pricing, equipment, work processes, plans, specifications, designs, technologies or otherwise that Supplier may obtain in connection with the Work or this Order ("**Confidential Information**") including without limit, all information developed for Savanna in connection with the Work, shall be deemed to be confidential and is proprietary to Savanna. Supplier agrees to maintain the Confidential information in strict confidence and not to release or grant access to it to any third party without Savanna's prior written consent, provided that it may disclose to Supplier Personnel and use such information to the extent required to fulfill its obligations under this Order. Supplier shall be liable for any non-compliance with these confidentiality obligations by any Subcontractor or Supplier Personnel. To the extent any Confidential Information is required to be released by Applicable Law, Supplier may release same provided it gives reasonable prior notice to Savanna to enable Savanna to obtain a protective order. Confidential Information does not include information that at the time of disclosure was available to the public other than as a result of improper disclosure, information that was already in the possession of Supplier on a lawful basis, as evidenced by its written records and information which legally becomes available to Supplier on a non-confidential basis from a source other than Savanna. Supplier shall return all Confidential Information to Savanna upon request or upon completion or any termination of the Services, provided that Supplier's obligations of confidentiality shall continue notwithstanding any return. Savanna shall be entitled to injunctive relief for any violation of this section, without the need of posting any bond or security.

31. Intellectual Property and Infringement. (a) Supplier represents and warrants to Savanna that the Work and all materials, tools, equipment, supplies and processes used or created by Supplier in the performance of the Order do not infringe any patent, license, trademark, copyright, trade secret or intellectual property rights of similar nature which have been issued or are pending. **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS THE SAVANNA GROUP**



FROM AND AGAINST ALL CLAIMS ARISING OUT OF ANY ALLEGED INFRINGEMENTS OF ANY INTELLECTUAL PROPERTY RIGHTS OR TRADE SECRET MISAPPROPRIATION IN CONNECTION WITH THE WORK.

If Savanna or Operator is prevented from using the Work because of any claim regarding Supplier's infringement, Supplier shall at its sole cost and expense promptly obtain consent for Savanna/Operator to use the Work or replace or modify the infringing Work with substantially equal but not-infringing Work. (b) All original Work product developed by Supplier under this Order, including without limit, drawings, programs, tracings, specifications, calculations and maintenance publications (including copies) shall be considered a "work for hire" and shall be Savanna's property, and all rights in such Work product are hereby assigned to Savanna or its designee, and may be used or transferred by Savanna in any manner it deems appropriate. Work product shall be turned over to Savanna upon request or upon completion or any termination of the Services. (c) With respect to any pre-existing intellectual property rights of Supplier in the Work, and any embedded or included software or firmware, whether created by Supplier or a third party, Supplier grants to Savanna and its affiliates (and its and their agents, joint venturers and any Operator) a fully sub-licensable worldwide, irrevocable, perpetual, and royalty-free licence to use, copy, modify, reproduce and create derivative works for the purpose of the use, construction, maintenance, repair, operation or replacement of the Work. If access to or use of software or firmware incorporated in the Work requires Savanna to "accept" terms and conditions through use of "click-wrap", or similar means, Savanna may "accept" in order to access or use same, however such terms and conditions will be of no force or effect and Savanna's use rights shall be governed solely by the Order.

32. Privacy. If either party collects, uses, and/or discloses personal information of any personnel of the other party, they agree to do so only to the extent required for reasonable business purposes, and only to the extent permitted by and in accordance with Applicable Law. **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA GROUP FROM AND AGAINST ALL CLAIMS ARISING OUT OF ANY PERSONAL DATA BREACH BY SUPPLIER GROUP.**

33. Information Security. Supplier shall establish and comply with Policies and Applicable Law for the protection of Confidential Information and personal information (collectively "**Sensitive Information**"). Supplier agrees to preserve the confidentiality, integrity and accessibility of Sensitive Information with administrative, technical, and physical measures that conform to generally recognized industry standards and best practices for data protection. In the event of a breach of any of Supplier's security obligations, or other event requiring notification under Applicable Law, Supplier agrees to assume responsibility for required notifications in accordance with Applicable Law. **SUPPLIER SHALL BE LIABLE TO AND SHALL DEFEND, INDEMNIFY, RELEASE AND HOLD HARMLESS SAVANNA GROUP FROM AND AGAINST ALL CLAIMS RELATED TO SUCH NOTIFICATION EVENT,** including without limit, costs relating to credit monitoring services.

34. Force Majeure. Neither party shall be liable to the other hereunder for any delay or non-performance caused by or resulting from conditions or causes of any kind beyond the reasonable control of the declaring party and which such declaring party could not have prevented through the exercise of reasonable diligence (a "**Force Majeure Event**"), provided that the liabilities and payment obligations assumed herein prior to the declaration shall not be affected. Notwithstanding the above, if a Force Majeure Event prevents Supplier from carrying out its obligations under this Order, Savanna may terminate this Order immediately, in whole or in part, by giving written notice to Supplier.

35. Cumulative. The rights and remedies herein reserved to Savanna shall be cumulative and additional to any other or further rights and remedies, including without limit, express, implied or statutory.

36. Assignment. Supplier shall not assign or subcontract any portion of this Order without the prior consent of Savanna, which consent may be withheld in its sole discretion. Such consent shall not relieve Supplier from responsibility to Savanna for the conduct and work of Supplier's subcontractors and assignees. Savanna may freely assign this Order to an affiliate of Savanna. This Order shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

37. Subcontracting. Supplier may not subcontract any part of the Work without Savanna's prior written consent, and provided that any such permitted subcontracting shall not relieve Supplier of its obligations hereunder. Actions and omissions of Supplier's Subcontractors and Supplier Personnel shall be deemed to be actions and omissions of Supplier and Supplier shall be liable and responsible for same.

38. Rebates. All Work is to be performed on an arm's-length basis. Supplier Group shall not pay any commissions or fees or grant any rebates or other remuneration or gratuity to any employee, officer, agent or other representative of Savanna, and neither Supplier or any Subcontractor shall pay any commission or fees to the employees, officers, agents or other representatives of the other in connection with the Work.

39. Attorney's Fees. If the parties become involved in litigation, arbitration or mediation arising out of this Order in which the services of an attorney or expert are reasonably required, the prevailing party will be entitled to be fully compensated for court costs and reasonable attorney fees and costs.

40. Publicity. Supplier shall make no publicity releases or announcements concerning the Order, the Operator or participation with respect to the Order, and shall not make any use of the Savanna logo or Operator logo without prior written consent.

41. Notices. All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and delivered to the contact information set forth in the Order either personally or by overnight courier, facsimile or email. No notice shall be deemed given unless and until it is actually received by the other party.

42. Survival. All representations and warranties, and all indemnity, audit, confidentiality, compliance with laws and privacy provisions contained in this Order, and all other provisions which by their nature are intended to survive after the termination of this Order, shall survive the termination of this Order.

43. Severability. If any term or provision of this Order is invalid, illegal or unenforceable, or inconsistent with Applicable Law, such term or provision shall be deemed to be modified to the extent required to comply with Applicable Law, and the remainder shall not be affected and shall remain in full force and effect. Any rule of construction to the effect that any ambiguity is to be resolved against drafting party shall not be applicable in the interpretation of this Order.

44. Waiver. No waiver by Savanna of any of the provisions of this Order is effective unless explicitly set forth in writing and signed by Savanna. No course of dealing, custom, practice or failure to insist on strict performance between the parties shall operate as a waiver or estoppel of any rights, power or remedies.

45. Choice of Law. All matters arising out of or relating to this Order are governed by and construed in accordance with the laws of the state of Texas, excluding any choice or conflict of law principle that would refer to the laws of another jurisdiction. Each party irrevocably submits to the exclusive jurisdiction of the courts of Midland County. The parties agree that the Order is not subject to nor shall be interpreted in accordance with the United Nations Convention on Contracts for the International Sale of Goods.

46. Electronic Signature. The parties expressly agree that with respect to the Order, the parties agree that if an individual or a counterparty evidences, in a commercially reasonable or verifiable manner, that its act, email, or attachment constitutes or includes its or their signature, then this Order shall be conclusively presumed to have been signed with the equivalent of a handwritten signature.