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Ulterra Drilling Technologies, L.P.
Terms and Conditions for Sales of Goods
September 1, 2020

1. Parties and Terms. These Terms and Conditions for Sales of Goods (“**General Terms**”) are incorporated into and supersede the terms and conditions of any purchase order (a “**Purchase Order**”) issued to Ulterra Drilling Technologies, L.P. or its affiliate (“**Seller**”) by the entity purchasing (“**Buyer**”) the drill bits and related parts described therein (“**Goods**”).

2. Acceptance of General Terms. These General Terms are accepted by Buyer by execution of these General Terms in the space provided below. Except for terms common to a purchase order (such as identifying the product(s) being sold, price, time and place of delivery, and payment instructions), Seller rejects any additional or contrary terms and conditions contained in any other document. These General Terms and the Purchase Order may be amended, modified or changed only by a written amendment signed by an authorized representative of each party.

3. Price. The price for the Goods shall be the price listed on the Purchase Order (“**Price**”). All Prices are set forth in United States Dollars. All Prices are exclusive of all sales, use, excise, and value-added taxes, and any other similar taxes, duties and charges of any kind imposed by any governmental authority on any amounts payable by Buyer or that may accrue in connection with the Purchase Order. Additionally, all prices are exclusive of costs related to shipping the Goods, including packing and preparation for export shipment, inland or ocean freight, insurance or forwarding fees, taxes, or duties of any kind or other similar charges applicable to the Goods. Buyer shall be responsible for and shall release, protect, defend, indemnify and hold harmless Seller for all such taxes, duties and charges.

4. Quantity.

(a) Buyer shall be obligated to purchase and accept the quantity of Goods specified in the Purchase Order.

(b) Seller may, in its sole discretion, without liability or penalty, make partial orders of Goods available to Buyer at the Delivery Point (as defined below). Each portion of Goods made available will constitute a separate sale, and Buyer shall pay for the units made available whether such portion is in whole or partial fulfillment of the quantity purchased under a Purchase Order.

(c) The quantity of any installment of Goods as recorded by Seller on dispatch to the Delivery Point is conclusive evidence of the quantity received by Buyer on delivery unless Buyer can provide conclusive evidence proving the contrary. Seller shall not be liable for any non-delivery of Goods (even if caused by Seller’s negligence) unless Buyer gives written notice to Seller of the non-delivery within five (5) days of the date when the Goods would in the ordinary course of events have been received. Any liability of Seller for non-delivery of the Goods shall be limited to delivering the Goods within a reasonable time or adjusting the invoice respecting such Goods to reflect the actual quantity delivered.

5. Delivery.

(a) The Goods will be delivered at the time and to the location (the “**Delivery Point**”) specified in the Purchase Order. Buyer shall be responsible for arranging transportation of the Goods from the Delivery Point, and Seller shall not be liable for any delays, loss or damage in transit.

(b) If for any reason Buyer fails to accept delivery of any of the Goods on the date fixed pursuant to the Purchase Order or Seller’s notice that the Goods have been made available at the Delivery Point: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) Seller, at its option, may store



the Goods until Buyer picks them up, and Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

6. Buyer's Exporting of the Goods; Applicable Laws. If the Goods sold are for export, Buyer shall be responsible for arranging for transportation, insurance and compliance with local country export/import or re-export laws and clearances. Seller shall cooperate with Buyer in providing any information or documentation necessary for Buyer to obtain export licenses. Buyer shall not export or re-export any of Seller's Goods: (a) for any prohibited end uses; (b) to any prohibited destinations including countries subject to United States sanctions regulations; (c) to any individuals or entities that are presently on any denied party lists; or (d) that would, if exported or re-exported by Buyer, violate United States export controls or require the issuance of a United States export license by one or more United States government agencies. Seller reserves the right to not make the Goods available to Buyer and terminate the Purchase Orders, without liability to Buyer, if Seller has a good faith basis for believing Buyer or any of its related parties has violated, or intends to violate, any country's export or import regulations. All required permits, licenses, approvals and inspections shall be secured by Buyer, and any fees associated therewith shall be the responsibility of Buyer. Buyer represents that it is not on any United States or other country's restricted or denied party lists. **Buyer shall release, protect, defend, indemnify and hold harmless Seller for any Buyer failure or refusal to comply with the provisions of this Section or for Buyer's breach of any other applicable federal, state, local and foreign laws, statutes, ordinances, codes, regulations, requirements, standards, rules and orders ("Applicable Laws").**

7. Title and Risk of Loss. Title and risk of loss passes to Buyer upon delivery of the Goods at the stated Delivery Point. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the Texas Uniform Commercial Code.

8. Inspection and Rejection of Nonconforming Goods.

(a) Buyer shall inspect the Goods within five (5) days of receipt ("**Inspection Period**"). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period and furnishes such documentation of nonconformance as reasonably required by Seller. "**Nonconforming Goods**" means only that the product received is different than identified in the applicable Purchase Order.

(b) If Buyer timely notifies Seller of any Nonconforming Goods, Seller shall, in its sole discretion: (i) replace such Nonconforming Goods with conforming Goods and make them available to Buyer pursuant to Section 5; or (ii) credit or refund the Price for such Nonconforming Goods. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to the Seller facility instructed by Seller. If Seller exercises its option to replace Nonconforming Goods, Seller shall, after receiving Buyer's Nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replacement Goods to the Delivery Point. Buyer acknowledges and agrees that the remedies set forth in this Section are Buyer's exclusive remedies for the delivery of Nonconforming Goods. Except as provided under this Section, all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under a Purchase Order to Seller.

9. Warranties.

(a) Seller warrants to Buyer (and not to any of Buyer's successors in interest or title) that for a period of six (6) months from the date of shipment of Goods ("**Warranty Period**"), such Goods will materially conform to the specifications set forth in the applicable Purchase Order and will be free from material defects in material and workmanship.

(b) Seller shall not be liable for a breach of the warranty set forth in Section 9(a) if: (i) Buyer makes any further use of such Goods after giving notice of the alleged breach to Seller as described in Section 9(c); (ii) the defect arises because Buyer failed to follow Seller's oral or written instructions as to the storage, installation, commissioning, use, handling, operation, maintenance, or overhaul of the Goods; (iii) Buyer alters, modifies or repairs such Goods without the prior written consent of Seller; or (iv) the Goods have been subject to any accident, misuse, neglect, or negligence after delivery to Buyer. This warranty shall not apply to any Goods to the extent that the defect or non-conformity is attributable to any part not supplied by or approved by Seller.

(c) Seller shall not be liable for a breach of the warranty set forth in Section 9(a) unless: (i) Buyer gives written notice of the defect, reasonably described, to Seller within ten (10) days after the time when Buyer discovers or ought to have reasonably discovered the defect; (ii) Seller is given a reasonable opportunity after receiving the notice to examine such Goods and Buyer (if requested to do so by Seller) returns such Goods to Seller's place of business for examination; and (iii) Seller reasonably verifies Buyer's claim that the Goods are defective. Buyer will be responsible for round-trip transportation costs to and from Seller's facility for any defective or non-conforming Goods returned to Seller and any replacement Goods. Seller's obligations under these warranties are conditioned on Buyer maintaining records that accurately reflect maintenance performed on the Goods and establish the nature of any unsatisfactory condition of the Goods. Seller, at its request, shall be given access to such records for substantiating warranty claims.

(d) Subject to Section 9(b) and 9(c) above, with respect to any defective or non-conforming Goods during the Warranty Period, Seller shall, in its sole discretion, either: (i) repair or replace such Goods (or the defective part); or (ii) credit or refund the price of such Goods. In the case of any Goods (or part thereof) repaired or replaced by Seller, the Warranty Period shall remain in effect for the remainder of the Warranty Period or for three (3) months from the date of shipment of the repaired or replaced Goods, whichever is longer.

(e) THE REMEDIES SET FORTH IN SECTION 9(d) SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTION 9(a).

(f) EXCEPT FOR THE WARRANTY SET FORTH IN SECTION 9(a) AND 9(d), SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (iii) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

(g) Products manufactured by a third party ("**Third-Party Product**") may constitute, contain, or be contained in, incorporated into, attached to or packaged together with, the Goods. Third-Party Products are not covered by the warranty in Section 9(a). Parts or components not manufactured Seller shall be in accordance with and subject to the standard warranty provisions of the manufacturer or supplier thereof, which warranty constitutes the sole obligation of Seller and the sole remedy of Buyer. For the avoidance of doubt, **SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD-PARTY PRODUCT, INCLUDING ANY (i) WARRANTY OF MERCHANTABILITY; (ii) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (iii) WARRANTY OF TITLE; OR (iv) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.**

10. Limitation of Liability.

(a) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, OR IN CONNECTION WITH ANY BREACH OF A PURCHASE ORDER OR THESE GENERAL TERMS, REGARDLESS OF: (i) WHETHER SUCH DAMAGES WERE FORESEEABLE; (ii) WHETHER OR NOT BUYER WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES; (iii) THE LEGAL OR EQUITABLE THEORY (CONTRACT,

TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED; AND (iv) THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(b) IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO A PURCHASE ORDER, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE PRICE PAID TO SELLER FOR THE GOOD OR PART THEREOF WHICH GIVES RISE TO THE CLAIM; PROVIDED THAT THE FOREGOING SHALL NOT LIMIT BUYER'S OBLIGATION TO PAY IN FULL THE PRICE FOR THE GOODS.

11. Payment Terms.

(a) Buyer shall pay all invoiced amounts due to Seller within thirty (30) days from the date of Seller's invoice. Buyer shall make all payments hereunder as provided in "Payment Instructions" set forth in the applicable Purchase Order and in United States Dollars. Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees.

(b) Unless waived by Seller, payment on orders for shipment to countries other than the United States of America shall be made by Letter of Credit to be established by Buyer, at its expense, including bank confirmation charges. All Letters of Credit shall be in favor of and acceptable to Seller, shall be maintained in sufficient amounts and for the period necessary to meet all payment obligations, shall be irrevocable and issued or confirmed by a bank in the United States.

(c) Buyer shall have no right under these General Terms, a Purchase Order, any other agreement, document or law, to withhold, offset, recoup or debit any amounts owed (or to become due and owing) to Seller or any of its affiliates, against any other amount owed (or to become due and owing) to it by Seller or its affiliates, whether relating to Seller's or its affiliates' breach or non-performance of these General Terms, a Purchase Order or any other agreement between Buyer or any of its affiliates, and Seller or any of its affiliates, or otherwise.

12. Indemnification.

(a) Buyer shall release, protect, indemnify, defend and hold harmless Seller and its officers, directors, employees, agents, affiliates, successors and permitted assigns (collectively, "**Indemnified Party**") against any and all losses, damages, liabilities, deficiencies, claims, actions, judgments, settlements, interest, awards, penalties, fines, costs, or expenses of whatever kind, including reasonable attorneys' fees, fees and the costs of enforcing any right to indemnification under these General Terms or a Purchase Order and the cost of pursuing any insurance providers, incurred by Indemnified Party/awarded against Indemnified Party in a final non-appealable judgment, relating to/arising out of or resulting from any claim of a third party or Buyer arising out of or occurring in connection with the sale of Goods from Seller or from Seller's actions, inactions, negligence, willful misconduct or breach of a Purchase Order unless such action is based on a claim where the Goods are wholly in Seller's possession and control. Buyer shall not enter into any settlement without Seller's or Indemnified Party's prior written consent.

(b) None of the Indemnified Parties shall have any liability or responsibility whatsoever to whomsoever for any pollution or contamination, including the costs of cleanup, howsoever caused, arising or occurring, whether through the negligence or legal fault of Seller or its employees, agents or representatives or otherwise, in any way relating to the sale of Goods hereunder. Buyer shall assume all responsibility for and shall release, protect, defend, indemnify and hold harmless Indemnified Party from and against any loss, damage, liability, suit, claim, fine or expense as a result of pollution or contamination, or the environmental cleanup required by law or by direct or indirect contractual obligations of Buyer in any way relating to the sale of Goods hereunder or the use of the Goods.

(c) Seller shall not be liable to indemnify, defend and hold harmless Buyer for any claims that the Goods infringe any third-party intellectual property rights to the extent such claims arise out of any use or modification of Seller's Goods that is not authorized by Seller.

13. Intellectual Property. Seller retains all intellectual property rights in the Goods including but not limited to any and all patent, trade secret, trademark or copyright rights. Buyer shall have no such rights by virtue of entering into a Purchase Order. Without limiting the generality of the foregoing, Buyer agrees that it shall not, following its purchase of the Goods hereunder, build, manufacture, fabricate or reverse engineer the Goods, or sell or use any item so built, manufactured, fabricated or reverse engineered.

14. Insurance. Each party, at its own expense, shall maintain and carry Commercial General Liability Insurance in a minimum of \$1,000,000 per occurrence (\$2,000,000 Aggregate) on ISO Coverage Form CG 00 01 (or equivalent) at all times during the term a Purchase Order is in effect with financially sound and reputable insurers so that it can support its indemnity and other obligations under these General Term. Except where prohibited by law, Buyer shall require its insurer to waive all rights of subrogation against Seller's insurers, Seller, and the other Indemnified Parties. Upon request, a party shall provide a certificate of insurance from such party's insurer evidencing the insurance coverage specified in these General Terms. Each party shall provide the other with reasonable advance written notice in the event of a cancellation or material change in such party's insurance policy.

15. Confidential Information. All non-public, confidential or proprietary information of Seller, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential," in connection with a Purchase Order is confidential, solely for the use of performing the Purchase Order and may not be disclosed or copied unless authorized by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller. Seller shall be entitled to injunctive relief for any violation of this Section since such breach would cause irreparable harm to Seller for which there would be no adequate remedy at law. This Section shall not apply to information that is: (a) in the public domain; (b) known to the Buyer at the time of disclosure; or (c) rightfully obtained by the Buyer on a non-confidential basis from a third party.

16. Force Majeure. Any delay or failure of Seller to perform its obligations under these General Terms or a Purchase Order will be excused to the extent that the delay or failure was caused directly by an event beyond Seller's reasonable control (whether of the kind herein enumerated or otherwise), without Seller's fault or negligence and that by its nature could not have been foreseen by Seller or, if it could have been foreseen, was unavoidable (which events may include but are not limited to natural disasters, epidemic, pandemic, or other national or regional emergency (including without limitation any localized or widespread occurrence of an infectious virus, disease, pathogen or other harmful agent), embargoes, explosions, riots, wars, acts of terrorism, strikes (except by a party's own employees), labor stoppages or slowdowns or other industrial disturbances, and shortage of adequate power or transportation facilities).

17. Assignment. Buyer shall not assign, transfer, delegate or subcontract any of its rights or obligations under these General Terms or a Purchase Order without the prior written consent of Seller. Any purported assignment, transfer, delegation or subcontract in violation of this Section shall be null and void. No assignment, transfer, delegation or subcontract shall relieve Buyer of any of its obligations hereunder. Seller may at any time assign, transfer, delegate or subcontract any or all of its rights or obligations under these General Terms or a Purchase Order without Buyer's prior written consent.

18. Governing Law; Venue.

(a) These General Terms and all Purchase Orders and all matters arising out of or relating to them, are governed by, and construed in accordance with, the laws of the State of Texas, United States of America, without regard to the conflict of laws provisions thereof to the extent such principles or rules would require or permit the application of the laws of any jurisdiction other than those of the State of Texas.

(b) Each party irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind whatsoever against the other party in any way arising from or relating to these General Terms or any Purchase Order and all contemplated transactions, including contract, equity, tort, fraud and statutory claims, in any forum other than the United States District Court for the Northern District of Texas or, if such court does not have subject matter jurisdiction, the courts of the State of Texas sitting in Tarrant County, and any appellate court from any thereof. Each party irrevocably and unconditionally submits to the exclusive jurisdiction of such courts and agrees to bring any such action, litigation or proceeding only in the United States District Court for the Northern District of Texas or, if such court does not have subject matter jurisdiction, the courts of the State of Texas sitting in Tarrant County. Each party agrees that a final judgment in any such action, litigation or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(c) Any legal action by Buyer for breach must be commenced within one (1) year from the date of the breach.

(d) The breaching party agrees to pay all costs and expenses, including reasonable attorney's fees incurred by the non-breaching party in any action the non-breaching party brings to enforce its rights hereunder upon the issuance by a court of law of a final, non-appealable order finding the breaching party in breach of these General Terms or any Purchase Order.

(e) The parties hereby expressly opt out of the United Nations Convention on the International Sale of Goods.

19. Survival. The provisions of these General Terms covering warranty, indemnity, limitation of liability, and choice of law and venue are continuing obligations which shall survive completion or the termination of these General Terms or any Purchase Order.

20. Entire Agreement. These General Terms constitutes the sole and entire agreement of the parties with respect to the subject matter contained herein, and supersedes all prior and contemporaneous understandings, agreements, representations and warranties, both written and oral, regarding such subject matter.

21. Notices. All notices, requests, consents, claims, demands, waivers and other communications under these General Terms must be in writing and addressed to the other party at its address set forth in the Purchase Order. Unless otherwise agreed herein, all notices must be delivered by personal delivery, nationally recognized overnight courier or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in these General Terms , a notice is effective only (a) on receipt by the receiving party; and (b) if the party giving the notice has complied with the requirements of this Section.

22. Severability. If any term or provision of these General Terms is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of these General Terms or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal or unenforceable, the court will modify these General Terms to affect the original intent of the parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.

23. Amendments. No amendment to or modification of or rescission, termination or discharge of these General Terms is effective unless it is in writing, identified as an amendment to, modification of, or rescission, termination or discharge of these General Terms and signed by an authorized representative of each party.

24. Waiver. No waiver by any party of any of the provisions of these General Terms shall be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in these General Terms, no failure to exercise, or delay in exercising, any rights, remedy, power or privilege arising from these General Terms shall operate or be construed as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

25. Cumulative Remedies. All rights and remedies provided in these General Terms are cumulative and not exclusive, and the exercise by either party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the parties or otherwise. Notwithstanding the previous sentence, the parties intend that Buyer's rights under Sections 4(c), 8(b) and 9 are Buyer's exclusive remedies for the events specified therein.

26. Successors and Assigns. These General Terms are binding on and inures to the benefit of the parties to these General Terms and their respective permitted successors and permitted assigns.

27. No Third-Party Beneficiaries. These General Terms benefits solely the parties to these General Terms and their respective permitted successors and assigns and nothing in these General Terms, express or implied, confers on any other party, person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these General Terms.

28. Language. The parties mutually agree that these General Terms, any Purchase Order and all correspondences shall be written and communicated verbally in the English language and each party warrants that they are or their designated agents are fluent in English and fully understand the contents of these General Terms.

If you agree with the terms of these General Terms, please express your agreement by printing the information in the spaces below, providing your signature in the "By" space, and returning these General Terms to Seller.

Buyer's Company Name: _____

By: _____

Name: _____

Title: _____