

**ROSTEL INDUSTRIES**  
**TERMS & CONDITIONS – SALE OF GOODS**

All Work and the sale of Sale Goods pursuant to Sales Transactions are and shall be expressly subject to the following terms and conditions (the “**Agreement**”) and this Agreement supersedes all previous communications, either oral or written, relating to the subject matter hereof.

**1. Application of Agreement**

1.1 Rostel Industries, a division of Precision Drilling Canada Limited Partnership (“**Rostel**”):

- (a) will sell certain goods (“**Sale Goods**”) to Purchaser (“**Sales Transactions**”); and
- (b) may provide certain inspection and repair services in respect of Sale Goods (“**Work**”),

all of which shall be governed by and subject to this Agreement, which forms part of and is incorporated into any arrangement between the parties related to such Sales Transactions and/or Work (whether by issuance of a purchase order or work order or other means (an “**Order**”)). If any provision of this Agreement is inconsistent with any other document related to or issued in response to any Sales Transaction or Work, this Agreement shall prevail. No variation of this Agreement shall be of effect unless expressly agreed to in writing by a duly authorized representative of Rostel. If Purchaser issues a purchase order, other than any technical specifications that may be set out therein, the terms and conditions of such purchase order will have no legal effect, and this Agreement shall exclusively prevail. Both parties acknowledge and understand that there are no terms implied by virtue of statute or otherwise incorporated into this Agreement.

**2. Term**

2.1 The term of this Agreement shall commence on the effective date specified in an Order and shall remain in effect until the completion of the delivery of all Sale Goods and/or Work described therein (the “**Term**”), unless terminated earlier in accordance with this Agreement. If additional services are requested by Purchaser beyond those initially described, the Term may be extended by mutual written agreement of the parties.

**3. Pricing and Payments**

- 3.1 The prices will be those as set by Rostel for the specified Sale Goods and Work, as applicable, including any adjustments permitted herein (the “**Purchase Price**”). At any time prior to the Purchase Price being fully paid in cash, title and risk in Sales Goods passing to Purchaser and all applicable Work being completed, Rostel reserves the right to increase or decrease the Purchase Price quoted herein as a result of any changes in prevailing freight or transport rates, import duties, clerical errors, foreign exchange, excise tax or sales tax, any new taxes or duties imposed, cost of labour or price of materials, supplies, part or equipment. Prices for the Sale Goods are subject to change without notice in accordance with increases in the manufacturer's prices. Purchaser agrees with Rostel to pay the prices in effect at the time of delivery of the Sale Goods. Notwithstanding any other provision of this Agreement or any provision of an Order to the contrary, Rostel will charge and Purchaser will be liable for all charges relating to equipment, materials, supplies, labour and services provided in connection with any Sales Transaction and/or Work.
- 3.2 Rostel may, in its sole discretion, require Purchaser to pay a deposit in an amount determined by Rostel, which deposit shall not accrue interest to Purchaser's credit while being held by Rostel. The deposit shall be non-refundable unless Rostel is unable to comply with the requirements of the Order. If the deposit is refundable, Rostel may, in its sole discretion, first apply the deposit to amounts that are owing to Rostel by Purchaser or any of its affiliates.
- 3.3 If a payment schedule is attached to an Order, Rostel will submit invoices in accordance with the payment schedule. Otherwise, subject to Section 4.1, Rostel will submit an invoice to Purchaser upon delivery of the Sale Goods. All invoices are net thirty (30) days from the date of invoice unless otherwise set out in an Order.
- 3.4 If Purchaser disputes any invoice or any part thereof in good faith, it shall provide Rostel written notice of the details of the dispute within twenty-five (25) days of receiving the invoice. In the event that Purchaser fails to provide the aforementioned written notice, Purchase shall be deemed to have accepted such invoice in its entirety.
- 3.5 Interest shall be charged at eighteen percent (18%) per annum on all overdue accounts and, where necessary, all costs of collection of overdue accounts shall be payable by Purchaser, including any legal fees and disbursements on a solicitor-client basis. If Purchaser has not paid, within 30 days, any amount due, Rostel may, upon notice to Purchaser, suspend Rostel's performance of all other Order to which Purchaser or any of its affiliates are party to until Rostel receives the outstanding payment. If Rostel suspends its performance, then the completion, delivery and other dates contemplated under an applicable Order shall be adjusted as reasonably required to accommodate the effects of Rostel's suspension of performance. If Purchaser

has not paid an amount due within 90 days, Rostel may, upon notice to Purchaser, terminate the applicable Order and/or the Agreement and recover compensation for losses Rostel incurs.

#### **4. Title and Risk**

- 4.1 Title and risk in Sale Goods passes to Purchaser when such Sale Goods are loaded for transportation to Purchaser (whether at the facilities of Rostel or otherwise). However, Rostel reserves the right to retain or resume possession of the Sale Goods until the Purchase Price is fully paid in cash. Purchaser hereby gives and grants to Rostel a lien, security interest and charge, which is first and prior to any other lien, charge, mortgage or other security interest, on the Sale Goods, to secure payment of the Purchase Price and all other amounts payable to Rostel by Purchaser pursuant to this Agreement and/or any Order. Purchaser does not have the right to withhold the payment of the Purchase Price, or any portion thereof, to secure a claim against Rostel, even if the parties have a disagreement regarding payment to Rostel.

#### **5. Force Majeure**

- 5.1 Except for the duty to make payments hereunder or pursuant to any Order when due, neither Purchaser nor Rostel shall be responsible to the other for any delay or failure to perform caused by or occasioned by a Force Majeure Event. As used in this Agreement, a "**Force Majeure Event**" means any occurrence beyond the reasonable control of the party claiming suspension of an obligation hereunder which such party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limitation, acts of God, floods, fire or other natural causes, riots, war, rebellion, sabotage, acts of terrorism, civil strife, acts of public enemies, revolution, insurrection, blockades, lockout or other industrial disturbances, unusually severe weather, explosion and acts of governmental authorities whether federal, state, provincial or local. Delays or failure to perform due to the above causes, or any of them, shall not be deemed to be a breach of or failure to perform under this Agreement.

#### **6. Goods Left Over 30 Days**

- 6.1 Rostel shall not be responsible for Customer's goods (including Sale Goods) left over 30 days on its premises and shall be entitled to dispose of such goods (including Sale Goods) in any manner and Rostel shall have no liability to Purchaser whatsoever.

#### **7. Limitation of Liability and Warranties**

- 7.1 Express as otherwise provided herein, Rostel expressly disclaims all conditions, warranties and guarantees, express or implied, including, without limitation, any implied warranties of merchantability and fitness for a particular purpose of any services, goods (including Sale Goods), materials or products rendered by or used by Rostel in the performance of the Work or sold by Rostel to Purchaser pursuant to any Sales Transaction and all terms, conditions and warranties implied by statute, common law, equity or otherwise are hereby expressly excluded. The sale of any goods, materials or products from Rostel to Purchaser (including all or any portion of any Sale Goods) pursuant to any Sales Transaction is done on an "as is, where is" basis.
- 7.2 In the event that Rostel is found liable to Purchaser pursuant to this Agreement, Rostel's liability shall be limited to the portion of the Purchase Price attributable to the particular Work performed or the Sale Goods sold to Customer.

- 7.3 Under no circumstances shall Rostel be liable for any delay in the delivery of Sale Goods to Purchaser, whether such delays are caused by the manufacturer or its agents, employees or contractors, or by Rostel or its agents, employees or contractors.

#### **8. Assignment of Manufacturer Warranties**

- 8.1 Rostel hereby assigns to Purchaser (without recourse to Rostel) the benefit of any warranty given to Rostel by any supplier or manufacturer relating to any Sales Goods to the extent that such warranty is assignable.

#### **9. No Consequential Damages**

- 9.1 In no event shall Rostel be liable whatsoever hereunder or in connection with an Order for loss of profit or loss of revenue, whether direct, indirect or otherwise, or any special, indirect or consequential losses or damages, including, without limitation, loss of anticipated profits, loss resulting from delay or loss of use of equipment or any installation into which its equipment may be installed.

#### **10. Cancellation**

- 10.1 In the event that Purchaser cancels any Order, then notwithstanding anything contained herein or in any Order, Purchaser shall be liable to Rostel for all costs incurred by Rostel in respect of such cancelled Order and for all Work performed in respect

thereof prior to such cancellation. All such amounts shall be payable by Purchaser to Rostel within thirty (30) days of the issuance by Rostel of an invoice in respect thereof. Sections 3.4 and 3.5 shall apply to any such invoice.

10.2 Rostel reserves the right, at its discretion, to cancel any Order or part thereof for which it is unable to procure the goods or if Purchaser or any of its affiliates becomes bankrupt or insolvent or if Rostel has reason to believe, acting reasonably, that Purchaser is, or will be, unable to pay the Purchase Price in full and without delay.

## **11. Limitation of Liability**

11.1 Rostel shall in no event be liable for any loss or injury to persons or property (including the Sale Goods) caused directly or indirectly by any act or omission, negligence or fault on the part of Rostel or Purchaser or their respective employees, agents, contractors, sub-contractors or materialman, whether acting under the instructions or directions of representatives of Rostel or not, and Purchaser shall indemnify and hold Rostel harmless for any liability or damage whatsoever caused by such act, omission, negligence or fault.

## **12. Patents**

12.1 Rostel shall have no liability or responsibility with respect to any patent or patentable aspect, manufacture portion, element, design or part associated with or forming part of the Sale Goods supplied to Purchaser hereunder. Purchaser will defend Rostel in any patent infringement suit and at all times hold Rostel harmless in respect of any and all claims arising out of any claim of patent infringement involving such design or manufacture.

## **13. Modification**

13.1 No alterations or additions whatsoever to this Agreement shall be binding upon Rostel unless made in writing and signed by a duly authorized representative of Rostel and notwithstanding any terms and conditions expressed by Purchaser to Rostel. Requests by Purchaser for any changes to an Order after such Order has been accepted by Rostel, including, without limitation, changes in specifications, quantities, delivery obligations and terms of payment, must be made to Rostel in writing. All such requests are subject to Rostel's written acceptance and may result in adjustments to the Purchase Price and delivery schedules.

## **14. Governing Law and Jurisdiction**

14.1 This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta, without regard to any conflict of laws principles. Each party hereby agrees to irrevocably submit itself to the exclusive jurisdiction of the courts of the Province of Alberta and waives any objections it may now or hereafter have to venue.

14.2 Notwithstanding any other provision of this Agreement, each of the parties shall comply with all laws and regulations applicable to it in the performance of its obligations under this Agreement.

## **15. Waiver**

15.1 No waiver of any of the provisions of this Agreement or an Order shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver be binding unless executed in writing by the party to be bound by the waiver. No failure on the part of Rostel, and no delaying in exercising, any right under this Agreement or an Order shall operate as a waiver of such right, nor shall any single or partial exercise of any such right preclude any other further exercise of such right or the exercise of any other right. Rostel hereby reserves all additional rights and remedies provided by law or equity.

## **16. Assignment**

16.1 Purchaser shall not assign or subcontract any part of its rights and obligations under this Agreement or an Order without prior written approval from Rostel. Rostel, however, may assign its rights and obligations under this Agreement or an Order to any of its subsidiaries or affiliates without Purchaser's consent. This Agreement shall be binding upon and shall inure to the benefit of the successors and permitted assigns of the parties hereto.

## **17. Amendments**

17.1 This Agreement may not be altered or amended except by a written agreement executed by both parties.

## **18. Severability**

18.1 If any one or more of the provisions contained in this Agreement, or any application of any such provision, is invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in this Agreement and all other applications of any such provisions will not in any way be affected or impaired.

## **19. Survival**

19.1 The provisions of this Agreement shall survive the termination of this Agreement if they are expressly stated to survive or are otherwise required by their context to survive the termination of this Agreement.

## **20. No Third Party Beneficiaries**

20.1 This Agreement is intended to benefit only the parties hereto and their respective permitted successors and assigns.

## **21. Non-Exclusive**

21.1 This Agreement is non-exclusive. Rostel reserves the right to extend to others services which are similar or dissimilar to the services provided hereunder and Purchaser reserves the right to engage other service providers to provide equipment and services which are similar to the equipment and services provided hereunder by Rostel.

## **22. Notice**

22.1 All notices and communications required or permitted to be given under this Agreement shall be deemed properly given if in writing and delivered personally or sent by registered mail or sent by electronic mail or facsimile to the parties at their addresses as shown on an Order. Any communication or delivery hereunder shall be deemed to have been duly made and the receiving party charged with notice: (i) if personally delivered, when received; (ii) if sent by registered mail, three (3) business days after mailing, return receipt requested; or (iii) if sent by electronic mail or facsimile, the business day transmitted.

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