

General Terms & Conditions

TERMS & CONDITIONS OF RENTAL/SERVICE

Customer acknowledges that rental and service prices are offered by Top Tools solely upon the warranties, remedies and limitations on liabilities as set forth herein.

This Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany. The United Nations Convention on Contracts for the International Sale of Goods (CISG) shall not apply. Place of jurisdiction for all disputes arising out of or in connection with this Agreement shall be Oldenburg, Germany.

1. Risk of Operations

Customer agrees and acknowledges that Top Tools is an independent contractor and that all Top Tools' furnished rentals or services ("Work") shall be under the direct supervision and control of Customer; that because of uncertain or unknown conditions and incidental hazards under which rental equipment is used and services rendered, Top Tools does not warrant or guarantee the results of the Work; and that all tools are run, equipment used, and services rendered at Customer's sole risk. All equipment and tools (collectively "Equipment") rented or sold hereunder are rented and operated at Customer's sole risk.

TOP TOOLS SHALL NOT BE LIABLE FOR ANY DIRECT, SPECIAL, CONTINGENT, INDIRECT, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL DAMAGES ARISING FROM THE USE OF SUCH TOOLS OR EQUIPMENT.

Well conditions which prevent satisfactory operation of such Equipment do not relieve Customer of its responsibilities for payment.

CUSTOMER ASSUMES THE RISK FOR AND SHALL BE SOLELY RESPONSIBLE FOR ANY SUBSURFACE DAMAGE TO THE WELL OR RESERVOIRS OR FOR SURFACE DAMAGE TO PERSONS (INCLUDING INJURY, ILLNESS AND DEATH) OR PROPERTY WHICH MAY RESULT FROM THE USE OF SUCH EQUIPMENT (IRRESPECTIVE OF THE CAUSE OF SUCH DAMAGE AND WHETHER OR NOT OCCASIONED BY TOP TOOLS' NEGLIGENCE, FAULT OR STRICT LIABILITY), INCLUDING DAMAGE CONSTITUTING OR RESULTING FROM POLLUTION.

CUSTOMER SHALL DEFEND, INDEMNIFY AND HOLD TOP TOOLS HARMLESS FROM ANY AND ALL CLAIMS, LAWSUITS, LIABILITIES, AND CAUSES OF ACTION FOR INJURY OR ILLNESS TO OR DEATH OF ANY PERSON OR FOR DAMAGE TO OR DESTRUCTION OF PROPERTY CAUSED BELOW OR ABOVE THE SURFACE BY ANY EQUIPMENT RENTED OR SOLD HEREUNDER, WHETHER OR NOT SUCH INJURY, ILLNESS, DEATH, DAMAGE OR DESTRUCTION IS CAUSED, IN WHOLE OR IN PART, BY THE NEGLIGENCE, FAULT, OR STRICT LIABILITY OF TOP TOOLS, WHICH INDEMNITY OBLIGATIONS RESPECTING CUSTOMERS' EMPLOYEES OR AGENTS OR ITS SUBCONTRACTORS' EMPLOYEES OR AGENTS AND SHALL BE SUPPORTED BY LIABILITY INSURANCE, FURNISHED BY CUSTOMER IN AN AMOUNT REQUIRED BY APPLICABLE LAW OF THE COUNTRY, REGION, STATE, PROVINCE WHERE PARTIES OPERATE OR CARRYING OUT ECONOMIC ACTIVITIES

2. Warranty

Equipment warranty

Equipment furnished hereunder when properly installed by authorized personnel are warranted to be free from defects in materials and workmanship at the moment of transfer Equipment for utilization by Customer or installation for work execution by Top Tools. However Top Tools obligations under the warranty given under these terms shall not apply to any wearing equipment or any equipment which is normally consumed in operations (such as milling tools).

In the event that defects in materials or workmanship appear, Customer's remedy shall be exclusively limited, in the sole discretion of Top Tools, to either:

- a) the replacement or repair of affected Equipment; or
- b) proportionately reduce the rental/service charges for the defective Equipment.

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Service warranty

Contractor shall properly perform the Services at times and places in accordance with the provisions of the scope of works and relevant Customer's Order(s).

Customer's sole remedy for breach of the warranty in relation to quality of the Services (even if that breach results from Top Tools' negligence, whether simple or gross, or another fault) shall be exclusively limited to that within (1) month after the original defective performance, to request the following:

(i) re-perform the defective part of the Services within the time limits agreed by the Parties. Top Tools' responsibility shall be limited to the provision of the Equipment and Personnel which were provided by the Top Tools for the performance of the Services in which defects were identified. If required Customer shall, at its own expense, re-supply other equipment, materials, personnel and any other support which were originally provided by Customer to enable Top Tools to perform this portion of Services. Customer is not entitled for free re-performing of the Services after Top Tools has demobilized from the work site (rig, well site, ext.). If additional equipment, materials, Personnel, work and services are required for the re-performance of the defective Services and if these were not originally provided by either Party for the performance of the Services in which defects were identified, such equipment, materials, Personnel, work and services shall be paid for by Customer.

or

(ii) proportionately reduce the price of the Services.

In any case the possible implementation of the above-mentioned remedial actions (i) or (ii) under the request of Customer for breach of the service warranty must be in the sole and full discretion of Top Tools.

IN NO EVENT SHALL TOP TOOLS BE LIABLE FOR DIRECT, SPECIAL, CONTINGENT, INDIRECT, PUNITIVE, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, DELAY, DOWNTIME, LOSS OF OR DAMAGE TO THE WELLBORE, LOST HYDROCARBONS, LOST PRODUCTION, LOST BUSINESS OPPORTUNITY, LOST PROFITS OR OTHERWISE, ARISING FROM A BREACH OF THIS WARRANTY, WHETHER OR NOT SUCH BREACH IS OCCASIONED BY TOP TOOLS' NEGLIGENCE, FAULT OR STRICT LIABILITY.

THIS WARRANTY IS IN LIEU OF, AND TOP TOOLS HEREBY EXPRESSLY DISCLAIMS, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE, AND GOOD AND WORKMANLIKE PERFORMANCE.

Customer agrees any other warranties, guarantees or terms or conditions not clearly addressed in this Agreement that may be implied by any laws, regulation or other acts of whatsoever nature, to the extent permitted by law, excluded.

3. Damaged or Lost Tools

With the exception of ordinary wear and tear, damaged Equipment shall be repaired at Customer's expense. In the event that any Equipment are lost in the well, Customer will make a diligent effort to recover the Equipment, at its own cost. Any Equipment abandoned in the well, damaged beyond repair or lost for any reason, in transit, or otherwise while in the custody of Customer or any third party arranged for by Customer, will be charged to Customer at the applicable lost price or sales price as shown in the applicable Price List.

For Equipment damaged beyond repair or lost in any other way, Customer shall be charged the current Top Tools sales price. Accrued rental charges to the date of loss must also be paid. Top Tools shall retain title to all damaged or lost Equipment and no title or other interest in damaged or lost Equipment shall accrue to Customer in each instance. A full refund less accrued rental shall be issued for all Equipment lost and invoiced but later recovered undamaged and returned within thirty (30) days of the invoice date.

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Top Tools shall not be responsible for holding and storage of Equipment that have been damaged and sold to a Customer beyond thirty (30) days after the date of invoice for such Equipment.

4. Transportation and Delivery Charges

All transportation charges shall be paid by Customer. When Equipment are delivered by Top Tools all charges shall be in accordance with the current Top Tools price list. Customer will at all times remain solely and wholly responsible for loss of or damage to any Equipment that should occur while Equipment are being transported by or on behalf of Customer or by conveyance arranged by or for Customer.

5. Conditions for termination and withdrawal

Should Customer violate any terms and conditions of this Agreement, become bankrupt, insolvent, go into receivership, or should any creditor or other person attach or levy Customer's property, Top Tools shall immediately have the right, without notice, liability, or the institution of legal proceedings, to take and remove its Equipment wherever they may be found.

6. External Equipment Manufacture

All of the terms and conditions of this Agreement shall also apply in favour of any manufacturer or supplier of any Equipment furnished by Top Tools to Customer hereunder.

7. Charges and Rates

Personnel Service charges are per day charges unless stated otherwise separately and commence the day Top Tools' personnel leave their designated facility and continue through the day they return to their designated facility including a day of leave and a day of return, wherein the full day rate will be applied regardless of the time of leave/return. Equipment of Top Tools are rented on a "per day" basis unless stated otherwise separately. The rental period starts from the day Equipment shipped from the Top Tools' facility and continues through the day the Equipment returned to the Top Tools' facility including the day of shipment and the day of return, wherein the full day rate will be applied regardless of the time of shipment/return. Well conditions which prevent satisfactory operation of Equipment or Force Majeure consequences shall not relieve Customer of the responsibility to pay the applicable charges.

8. Other Charges

All Equipment used on treated hydrogen sulphide (H₂S) wells will be charged at the published price plus twenty-five percent (25%) and all Equipment used in untreated wells will be invoiced at published price plus fifty percent (50%). Customer will assume full responsibility for any and all Equipment run in an H₂S environment. All inspection/maintenance charges will be paid by the Customer.

9. Purchase Order Requirements

Before Top Tools accepts an order for Equipment or commences Work, an authorized representative of Customer must issue a purchase order number or service work order number, whereupon Customer shall be deemed to have agreed to this Agreement notwithstanding any provision to the contrary in any printed form or other document of the Customer. These Terms and Conditions shall apply exclusively. Any conflicting or deviating terms and conditions provided by the Customer shall not apply, even if not expressly rejected by Top Tools, unless expressly agreed in writing.

10. Downhole Measurements and Calculation.

Top Tools' personnel will give Customer the benefit of their best judgment as to the accuracy of downhole measurements and calculation.

NOTWITHSTANDING THE NEGLIGENCE, FAULT OR STRICT LIABILITY OF TOP TOOLS OR ANY TOP TOOLS' PERSONNEL, TOP TOOLS SHALL NOT BE LIABLE OR RESPONSIBLE FOR, AND CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD TOP TOOLS AND ITS PERSONNEL HARMLESS FROM AND AGAINST ANY LOSS, DAMAGES OR EXPENSES INCURRED OR SUSTAINED AS A RESULT OF ANY MEASUREMENTS AND/OR CALCULATION PROVIDED BY ANY TOP TOOLS PERSONNEL OR AS A RESULT OF ANY ACTS TAKEN BY ANY PERSON IN RELIANCE UPON SUCH MEASUREMENTS.

11. Modification of Equipment

Top Tools' Equipment shall not be dressed, changed, altered, or in any way modified by Customer, by anyone designated by Customer, or by an employee of Top Tools without the express and specific approval of authorized management of Top Tools. Standard Equipment altered for a specific job will be sold to the Customer at the current Top Tools sales price, and an additional charge equal to the cost of the alterations, plus twenty-five percent (25%) will be made. Special Equipment ordered and built for a specific job shall be furnished at a minimum rental equal to the manufacturing cost, plus fifty percent (50%) of such cost. Additional modifications to the Equipment will be charged in the same manner.

12. Applicable Law and Jurisdiction

Neither Party shall be liable for any failure or delay in performance to the extent caused by circumstances beyond its reasonable control (force majeure), including but not limited to war, riot, terrorism, pandemics, governmental restrictions, fire, flood, natural disaster, or labor dispute.

The affected Party shall notify the other Party in writing without undue delay.

In case of discrepancies between different language versions of this Agreement, the English version shall prevail.

Customer shall be solely responsible for compliance with all applicable export control laws and regulations.