

## PURCHASE ORDER TERMS & CONDITIONS

**Each PURCHASE ORDER (the "Order") issued by Parker Drilling Management Services, Inc., a Nevada corporation, with offices at 5 Greenway Plaza, Suite 100, Houston, TX 77046 (the "Company") to the supplier identified on the Order (the "Supplier") shall be governed by the following terms and conditions, WHICH INCLUDE LIMITATIONS OF LIABILITY, RELEASE, INDEMNITY:**

**1. OFFER & ACCEPTANCE** - If the transaction relates to an agreement executed by an officer of the Company in a document indicating that it represents the entire and exclusive agreement between the parties, then the Order is issued for administrative convenience only and does not amend, modify or supplement the terms of the agreement. Otherwise, acceptance of this Order is expressly limited to these Terms & Conditions, and any additional or different terms of Supplier are hereby rejected. These Terms & Conditions may not be amended except as set forth herein, and shall supersede any additional or different terms in Supplier's job order, service order, work order, delivery ticket, pricing proposal or similar document. Supplier shall accept these Terms and Conditions if Supplier signs the Order, or delivers the goods ordered by Company, or otherwise commences performance of the Order. Supplier's rejection, in whole or in part, of these Terms and Conditions is not effective. If a separate Master Service Agreement or Master Purchase Agreement ("Master Agreement") exists between Company and Supplier, the Master Agreement shall govern, not these Terms & Conditions, unless it is mutually agreed that the Terms & Conditions, together with a Purchase Order, specifically modify, supplement or amend the Master Agreement.

**2. CHANGES** - The Company may at any time suspend performance in whole or in part, make changes in designs, specifications, method of shipment or packing, or time or place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for performance of the applicable Order, an equitable adjustment may be made in the contract price or delivery dates or both, provided, however, that the Order is modified in writing to reflect such changes. Any claim on account of such change shall conclusively be deemed to be waived unless the Company is notified in writing within thirty (30) days from the date of receipt by Supplier of the change order. No change order will be binding on the Company unless signed by an authorized representative of the Company.

**3. PACKING, SHIPPING AND TRADE COMPLIANCE** - No charge shall be made by Supplier for packaging, transportation or unpacking, except as stated on the face of the Order. All items shall be packaged, marked and otherwise prepared in accordance with good commercial practices to obtain the lowest transportation rates consistent with Company's shipping instructions. Supplier shall mark containers with appropriate handling and loading instructions, shipping information, order, item and account number, shipment date and names and addresses of Supplier and Company. An itemized packing list must accompany each shipment.

Unless otherwise specified, time is of the essence for delivery by Supplier and all items shall be delivered on or before the date for delivery specified in the Order and time for delivery shall be deemed a material requirement. Supplier shall promptly notify Company of any delay in shipment and, in addition to other remedies otherwise available, Company shall have the right to cancel the Order and obtain a full refund. If instructed by Company, Supplier shall deliver any software or data products by electronic transmission or "load & leave" method. Supplier shall at all times comply with and provide all stipulations, representations, certifications and building codes required by all applicable laws and regulations with respect to any in-transit and destination jurisdictions for items supplied under an Order. Supplier shall obtain all necessary permits and governmental authorizations and approvals necessary to the performance of the applicable Order. Hazardous materials shall be conspicuously labeled and properly handled and disposed of at all times. Supplier shall provide to Company the Material Safety Data Sheets (MSDS) or other requires documentation on any materials classified as hazardous under any applicable government regulation.

For all international shipments pursuant to this Order, Supplier shall include a destination control statement (if applicable) and ensure that all necessary government authorizations (such as export licenses) have been obtained. Moreover, unless the Director of the Company's Supply Chain Management Department has received the correct export control classification of an item to be provided pursuant to the this Order and has consented in writing prior to its provision, Supplier represents and warrants that all goods, software or technology to be provided in connection with this Order are designated as EAR99 under the U.S. Export Administration Regulations or are not subject to any U.S. export control requirements. In connection with this Order, Supplier further represents and warrants that it has not and will not engage in or facilitate any transaction or activity: in, to or through – or involving services from – Cuba, Iran, North Korea, Sudan or Syria; involving a vessel (including shipment on any airplane, ship or other means of conveyance) flagged by or registered in or under their laws; with their governments (including with companies or banks owned or controlled by their governments); involving the military or armed groups in Burma/Myanmar; involving any person on an international restricted parties list (such as U.S. Specially Designated Nationals list, various restricted parties lists maintained by the U.S. Departments of Commerce and State, and similar lists maintained by U.N., E.U., and other government agencies of the United States or other nations); involving any entity named as a Financial Institution of Primary Money Laundering Concern pursuant to the U.S. Bank Secrecy Act; involving any Cuban entities; or involving services of North Korean origin or products of Burmese/Myanmar origin. However, to the extent that – and only to the extent that – any provision of these purchase order terms and conditions or their supporting documentation would cause any party to violate or be penalized under Section 760 of the U.S. Export Administration Regulations or Section 999 of the U.S. Internal Revenue Code, that provision or supporting documentation shall not apply, shall not be enforceable and shall not be interpreted as part of this Order, these purchase order terms and conditions and their supporting documentation.

**4. RISK OF LOSS** - Supplier shall bear all risk of loss on items covered by each Order until final acceptance at the destination specified on the face of the Order. Any "F.O.B." designation refers only to responsibility for transportation charges and does not vary the risk of loss provisions herein. Supplier shall replace any lost or damaged media containing licensed software or data upon request at a price not exceeding the reasonable cost of media duplication, packaging and shipping.

**5. PRICES** - Supplier shall complete each Order at the prices stated therein. If no prices are stated, they shall be commercially reasonable prices and subject to the Company's written approval. Any items delivered at unstated and unapproved prices shall be removed at Supplier's expense. Company shall be entitled to any reduction in prices announced within thirty (30) days after Supplier delivers the item. Unless expressly billed on the face of the Order, the price for software includes all applicable permits, third party royalties and license fees. Unless Company provides a tax exemption certificate, Supplier shall separately state, collect and remit in a timely manner to governmental authorities all levies, duties, fees and taxes on this Order ("Taxes and Levies"). **SUPPLIER SHALL DEFEND, INDEMNIFY AND HOLD HARMLESS THE COMPANY GROUP (DEFINED BELOW) FROM ANY FAILURE TO COLLECT, REMIT OR PAY TAXES AND LEVIES, INCLUDING ANY INTEREST OR PENALTIES IMPOSED THEREON. AS A CONDITION OF FINAL PAYMENT, SUPPLIER SHALL UPON REQUEST FURNISH STANDARD LIEN WAIVERS.**

**6. INVOICING & PAYMENT** - Supplier shall within sixty (60) days of shipment send an invoice, which shall include the number of the Order and any item numbers, accompanied by any bill of lading or express receipt. Unless otherwise specified in the Order, invoices are payable forty-five (45) days after the date Company receives the invoice, provided the original invoice and all required supporting documentation are duly received by the Company's designated representative. Payment shall not be construed as the Company's acceptance, which shall remain subject to the Company's right to inspect and other rights hereunder. The Company (and its affiliates) shall have the right to withhold or "set-off" any amount owed to Supplier against any amount owed by Supplier (or its affiliates) to the Company. Any payment by the Company to the Supplier shall be made by check or wire transfer directly to the Supplier's bank account. Under no circumstance shall Company make a payment to Supplier in cash or a cash equivalent. Any additional or different contract terms appearing on Supplier's invoice form are expressly rejected.

**7. INSPECTION** - All items covered by an Order may be inspected and tested by the Company at reasonable times and places, and Supplier shall reasonably assist Company in arranging for inspection and testing. Copies of all test reports, test data, etc., in the number of copies specified shall be mailed by Supplier to Company at its home office address shown on the Order. Supplier shall advise Company at least ten (10) days in advance of when such items are ready for inspection. Neither inspection nor failure to inspect shall relieve Supplier of any responsibility. Company's count will be accepted conclusive on all shipments of goods not accompanied by a packing slip. Substitutions will not be permitted except on written authorization of Company. Goods delivered in error or any excess of quantity ordered will be returned at Supplier's expense. If any items covered by the Order are defective or nonconforming, the Company may upon its election: (i) rescind the Order as to such items, (ii) accept such items with an equitable reduction in price, or (iii) reject such items and require the delivery of conforming replacements. If replacements are requested and Supplier fails to deliver such replacements promptly, the Company may: (i) replace or correct such items and charge Supplier all reasonable costs of cover incurred by the Company, or (ii) terminate the applicable Order for default as provided in Section 12 ("Termination"). No inspection, tests, approval (including design approval), or acceptance of items shall relieve Supplier from responsibility for latent defects, material misstatements or omissions, or Supplier's warranty obligations. Manufacture or production of items subject to the Company's approval of a prototype, sample or design shall not proceed until such approval is given. Rejected items and scrap materials shall be promptly removed by Supplier without cost to the Company.

**8. COMPLIANCE WITH LAWS & POLICIES** - In connection with this Order, Supplier represents and warrants that it has not taken or failed to take, and shall not take or fail to take, any action – and each of the Company and the Supplier shall stop any payment, action or failure to act that the Company reasonably believes – that would cause Supplier, the Company or any of their affiliates to be in violation of or penalized under any law of the United States of America or any government having jurisdiction over any such party or the performance of this Agreement, including any law governing boycott participation, bribery, conflicts of interest, economic sanctions or export/reexport controls.

**9. ANTI-BRIBERY** – In connection with this Order, Supplier warrants and represents that it has not and will not provide any tangible or intangible benefit, directly or indirectly, (1) to anyone if it creates any conflicts of interests (such as a bribe, "kick-back," improper monetary compensation, improper business opportunity, or entertainment, travel, gift, donation or favor that create a perception of improper influence or obligation); (2) to anyone in violation of the conflicts of interests or anti-bribery policies of the Supplier or the Company, (3) to anyone in violation of the law or international anti-bribery conventions, including the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, the United Nations Convention Against Corruption, the U.S. Foreign Corrupt Practices Act or the U.K. Bribery Act ("Anti-Bribery Laws"); (4) to any "foreign official" or "foreign public official" as defined under the Anti-Bribery Law who will assist the Company in obtaining or retaining business (such as certain employees of a government controlled or owned company, government-supported international organizations, politicians, members of a royal/ruling family or otherwise meeting either definition, with respect to any domestic or foreign party,) and (5) to anyone who will direct or influence business to Company or Company's affiliates (such as an purchasing manager from one of our existing or potential customers) in exchange for such benefit.

**10. RELEASE AND INDEMNIFICATION** - **SUPPLIER AGREES TO AND HEREBY DOES RELEASE, HOLD HARMLESS, DEFEND AND INDEMNIFY COMPANY AND ITS AFFILIATES, AND ITS AND THEIR RESPECTIVE CUSTOMERS, SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, CONTRACTORS (EXCEPT SUPPLIER),**

**REPRESENTATIVES, AGENTS, SUCCESSORS OR ASSIGNS FROM AND AGAINST ANY AND ALL CLAIMS, SUITS, LIABILITIES, DAMAGES, JUDGMENTS, COSTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE ATTORNEY'S FEES) ("CLAIMS") ARISING OUT OF OR IN CONNECTION WITH SUPPLIER'S WARRANTY OBLIGATIONS OR THE GOODS OR SERVICES PROVIDED BY SUPPLIER HEREUNDER. THIS INDEMNITY SHALL SURVIVE TERMINATION OR EXPIRATION OF THIS PURCHASE ORDER. EXCEPT AS OTHERWISE EXPRESSLY LIMITED HEREIN, IT IS THE INTENT OF THE PARTIES HERETO THAT ALL INDEMNITY OBLIGATIONS AND/OR LIABILITIES ASSUMED UNDER THE TERMS OF THIS AGREEMENT BE WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (INCLUDING PRE-EXISTING CONDITIONS), STRICT LIABILITY, BREACH OF CONTRACT, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING THE NEGLIGENCE OF THE INDEMNIFIED PARTY OR PARTIES), WHETHER SUCH NEGLIGENCE BE JOINT OR CONCURRENT, GROSS, ACTIVE OR PASSIVE. HOWEVER, THIS PARAGRAPH SHALL NOT BE INTERPRETED TO APPLY TO SOLE NEGLIGENCE OR WILLFUL MISCONDUCT.**

**11. WARRANTIES** - Supplier warrants that items furnished hereunder will: (i) be free from material defects in design, material and workmanship; (ii) be suitable for ordinary purposes, as well as any particular purposes made known to Supplier in advance; (iii) function together as a system if the Company notified Supplier that it was relying on Supplier's skill or judgment to select items that will function as such; (iv) perform materially in accordance with their specifications; (v) materially conform with any related sample, model, documentation, description, labeling or literature supplied by Supplier, (vi) materially conform to any specific requirements of the Order, and (vii) not violate the intellectual property rights of any person or entity. Any services provided by Supplier will be diligently performed in a good and workmanlike manner. Unless otherwise agreed in writing, all hardware and items shall be transferred to the Company free and clear of all liens and encumbrances. Unless agreed in writing by Company, all hardware and replacement parts are warranted to be in new condition. Supplier warrants products for a period equal to the earlier of (i) twenty-four months from the date of delivery to Company, or (ii) of one (1) year from date the products are placed in service. Company at its option may require any nonconforming or deficient items to be removed and corrected or may return all such items (and other items supplied by Supplier that are materially diminished thereby) to Supplier, at Supplier's expense, for replacement or credit at the option of Company. Replacement work or work re-performed under this paragraph shall be subject to the same warranties as the original work.

**12. INTELLECTUAL PROPERTY**- If Company furnishes specifications, requirements, designs and the like to Supplier for the manufacture of the items, Supplier acknowledges and expressly agrees that Company is and remains the sole and exclusive owner of all such specifications, requirements, designs and the like, and for all improvements, modifications, derivative works and intellectual property rights therein. Supplier further acknowledges and expressly agrees that Company is and remains, or shall be, the sole and exclusive owner of all improvements in, modifications to, and /or derivative works of, all such specifications, requirements, designs and the like, and intellectual property rights therein, which improvements, modifications and/or derivative works are made, developed, conceived or actually reduced to practice solely or jointly by Supplier.

**13. LIABILITIES** - NEITHER THE COMPANY NOR THE SUPPLIER SHALL BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES (INCLUDING DELAYED OR LOST OPPORTUNITY OR PROFITS) OR ATTORNEYS FEES, except as indicated in the Governing Law and Dispute Resolution paragraph below. THE FOREGOING LIMITATIONS: (i) ARE INDEPENDENT OF AND APPLY EVEN IF ANY EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, (ii) APPLY EVEN IF A PARTY IS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (iii) APPLY WHETHER SUCH CLAIMS ARISE IN CONTRACT, TORT OR OTHERWISE. SUPPLIER ACKNOWLEDGES THAT THIS PROVISION REFLECTS A REASONABLE ALLOCATION OF RISK.

**14. TERMINATION** - The Company may at any time suspend or cancel any Order or any part thereof without cause. For canceled work-in-process, the Company shall pay Supplier a reasonable cancellation charge, determined by the Company in good faith(not exceeding the price for cancelled items) only to the extent Supplier's costs for such items cannot be mitigated. If Company terminates any Order based upon Company's good faith belief that Supplier has caused or been a party to a violation, or conduct subject to government penalties under, any law related to antiboycott, anti-bribery, export/reexport controls and economic sanctions compliance, any claims for payment by Supplier with regards to the Order shall be automatically terminated and canceled. Supplier shall immediately refund Company for all payments related to that violation or conduct upon Company's request. Off-the-shelf items and any rented facilities shall not be chargeable items in the event of a cancellation. If Supplier materially fails to comply with an Order, the Company may (in addition to any other remedy) terminate all or any part of the Order by written notice to Supplier without any liability and may effect "cover" by purchasing substitute items elsewhere. In such event, Supplier shall be liable to the Company for any excess cost and expense of cover. If the Order is terminated, the Company may require Supplier to transfer title and deliver to the Company any fully or partially completed items and materials, parts, plans, drawings, information, and contract rights that Supplier produced or acquired for the performance of the terminated work.

**15. FORCE MAJEURE** - In the event that performance of the Order is prevented, wholly or in part, by riots, strikes, wars (declared or undeclared), insurrection, rebellions, terrorist acts, civil disturbances, dispositions or orders of governmental authorities, acts of God (other than adverse sea or weather conditions), or by any other act or cause (other than financial distress or inability to pay debts when due) which is beyond the control of Supplier or Company, such cause being herein called "Force Majeure," such party shall give notice in detail of Force Majeure in writing to the other party as promptly as possible after its occurrence. In such case, the obligations of the parties shall be suspended during the continuance of the Force Majeure condition.

**16. RELATIONSHIP** - Supplier is an independent contractor of the Company and is not an employee, partner, joint venturer or franchisee. Supplier is not entitled to participate in any employee benefit plan of the Company. Supplier represents that it has other substantial sources of revenue, will file its tax returns and pay tax as an independent contractor for this relationship and will defend, indemnify and hold harmless the Company Group from any claim to the contrary. Supplier may only act on its own behalf - and not act as an authorized or binding representative of the Company - before any "foreign official" or "foreign public official" (as defined in Anti-Bribery Laws) or customer of the Company in connection with the Order.

**17. GOVERNING LAW AND DISPUTE RESOLUTION** - THE PARTIES AGREE THAT THIS AGREEMENT IS GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE GENERAL MARITIME LAW OF THE UNITED STATES, WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. TO THE EXTENT THAT GENERAL MARITIME LAW DOES NOT APPLY, THIS AGREEMENT WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH TEXAS LAW WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES. THE U.N. CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS AND THE UNFAIR CONTRACTS ACT IN THE UNITED KINGDOM DO NOT APPLY TO THIS AGREEMENT. ANY CLAIM AGAINST THE COMPANY MUST BE INITIATED BY SUPPLIER WITHIN ONE YEAR OR SUCH CLAIM WILL BE BARRED. ALL CLAIMS, DISPUTES OR CONTROVERSIES ARISING OUT OF, IN CONNECTION WITH OR IN RELATION TO THIS AGREEMENT, WHICH CANNOT BE SETTLED THROUGH NEGOTIATION, SHALL BE DECIDED BY RESORT TO ARBITRATION IN ACCORDANCE WITH THE COMMERCIAL RULES OF THE AMERICAN ARBITRATION ASSOCIATION ("AAA") IN EFFECT AT THE TIME OF THE FILING OF THE ARBITRATION. FOR DISPUTES HAVING AN AMOUNT IN CONTROVERSY OF LESS THAN \$3,000,000, THE DISPUTE WILL BE DECIDED BY A SOLE ARBITRATOR. FOR DISPUTES HAVING AN AMOUNT IN CONTROVERSY EQUAL TO OR GREATER THAN \$3,000,000, THE DISPUTE WILL BE DECIDED BY A THREE-ARBITRATOR PANEL. EACH ARBITRATOR MUST BE A TEXAS ATTORNEY, FAMILIAR WITH THE SUBJECT MATTER AT ISSUE IN THE CASE, AND CHOSEN FROM THE AAA NATIONAL ROSTER. THE ARBITRATION SHALL BE HELD IN HOUSTON, TEXAS IN THE ENGLISH LANGUAGE. THE ARBITRATION DECISION SHALL BE FINAL, BINDING AND ENFORCEABLE IN ANY COURT OF COMPETENT JURISDICTION, AND THE PARTIES AGREE THAT THERE SHALL BE NO APPEAL FROM THE TRIBUNAL'S DECISION. THE ARBITRATION SHALL BE GOVERNED BY AND THE TRIBUNAL SHALL ONLY CONSIDER AND APPLY THE GOVERNING LAW AS SET FORTH ABOVE. THE RIGHT TO ARBITRATE SHALL SURVIVE THE TERMINATION OF THE AGREEMENT. PRE-HEARING DISCOVERY SHALL BE LIMITED TO THE EXCHANGE OF RELEVANT, MATERIAL AND NON-PRIVILEGED DOCUMENTS BETWEEN THE PARTIES. THE ARBITRATOR(S) SHALL PERMIT NO INTERROGATORIES, DEPOSITIONS OR OTHER DISCOVERY IN ANY ARBITRATION HEREUNDER EXCEPT BY AGREEMENT OF THE PARTIES. ALL DIRECT TESTIMONY SHALL BE PRESENTED IN THE FORM OF WRITTEN, SIGNED STATEMENTS; HOWEVER, IF REQUESTED AT LEAST 30 DAYS PRIOR TO THE ARBITRATION HEARING, EACH PARTY'S WITNESS(ES) MUST BE PRESENTED LIVE AT THE ARBITRATION HEARING FOR CROSS-EXAMINATION BY THE OPPOSING PARTY. THE TRIBUNAL MAY AWARD ATTORNEYS FEES, COST OF ARBITRATION, AND EXPERT WITNESS FEES TO THE PREVAILING PARTY, IF ANY. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT INCLUDES ACTIVITIES IN INTERSTATE COMMERCE AND THAT THE FEDERAL ARBITRATION ACT, 9 U.S.C. SECTION 1 ET SEQ SHALL CONTROL AND APPLY TO ALL ARBITRATIONS CONDUCTED HEREUNDER, NOTWITHSTANDING ANY STATE LAW PROVISIONS TO THE CONTRARY.

**18. SECURITY AND TITLE** - Supplier hereby grants Company a security interest in the items covered by the Order to the extent that Company has made advance or installment payments with respect to such items, and Supplier agrees to cooperate with Buyer to prepare and file such documents as Company may reasonably request from time to time to evidence such security interest and to perfect it. Title to the items covered by the Order and any work in progress under an Order, including all materials, machinery, and equipment intended for incorporation in the items, regardless of location, shall be at all times in the Company free and clear of any claim or lien of the Supplier in respect to the items for which Company has paid. However, the vesting of title does not relieve Contractor of any obligations under this Agreement. Notwithstanding the foregoing, all risk of loss shall remain with Contractor even though title has passed to COMPANY.

**19. GENERAL PROVISIONS** - This document contains the entire and exclusive agreement between the parties, supersedes any previous written or oral communications and may be amended only in a writing signed by the Company's authorized representative. The Company's waiver of any provision hereof shall be effective only if contained in a signed writing. Waiver of a provision in one instance shall not preclude enforcement thereof on future occasions. Except as stated on the front hereof, Supplier shall not assign, delegate or subcontract any Order or any rights hereunder without the prior written consent of the Company and any attempt to the contrary shall be void and of no legal effect. Headings are for reference purposes only and have no substantive effect.