



Supply Chain Policy

POLICY STATEMENT

International Drilling Fluids & Engineering Services (IDEC) Ltd. is committed to maintaining the highest ethical standards in dealing with its suppliers, and obtaining the best value for the materials, supplies, services and equipment it purchases. Value includes price, quality and service. The Company's Procurement Department shall apply the Company's purchasing power to ensure that goods and services are procured at the lowest cost, highest quality and optimal service.

This policy should be read with and is subject to policies, procedures, guidelines, standards, forms and limits of authority, including government Supply Chain Department policies where we act for government customers and all applicable laws.

PROVISIONS

The Supply Chain Department is the sole authorized agent of the Company for the procurement of materials, goods and services. The Supply Chain Department is responsible for ensuring that proper procedures have been followed and selection criteria utilized is consistent with established Company guidelines, this policy and applicable laws and regulations. All buying, including commitments to buy and related activities, will be handled by the Supply Chain Department in accordance with the following general principles:

The CEO of Supply Chain shall establish written procedures that meet the approval of the Compliance and Legal Departments, which are designed to ensure that the Company's procurement and logistics process complies with all Company policies, applicable laws and regulations. Such procedures shall include the due diligence and documentation required to be completed prior to a transaction, to assure that products or service sourced, selection of freight forwarders, routes, final destinations, end-users and applicable duties all comply with all applicable laws and regulations.

Supply chain function will remain independent in order to maintain the control process and ensure that proper segregation of duties exists. All commitments with suppliers will be made by and through the Supply Chain Department. The Supply Chain Department is responsible for managing the financial and administrative aspects of contracts and purchase orders; the Company's business unit is responsible for managing the operational aspects.

Purchasing Processes

Purchasing needs arise in a variety of contexts. In some cases, the business unit with a purchasing need may wish to engage prospective suppliers in preliminary discussions. In other cases, the business unit may decide to ask the Supply Chain Department to deal with prospective suppliers. In no case should a Business Unit commit the Company to a purchase without involving the Supply Chain Department.

Contracts

Approved contracts and forms, developed by the Supply Chain Department and the Legal Department, will be used wherever possible to ensure that the Company's interests are fully protected, and purchasing initiatives are appropriately implemented. Forms provided by suppliers should be used only in exceptional circumstances, and only with the prior approval of Procurement and Legal Departments.

Ethical Conduct

Procurement personnel must act professionally and with integrity at all times, and must constantly seek to ensure that the Company's procurement processes are:

- Appropriate. The way in which we conduct procurement must not impose any unnecessary costs



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or burdens on our customers, suppliers or the Company.

- **Transparent.** We will communicate procurement processes to customers and suppliers and maintain records of all communications, discussions and negotiations.
- **Professional.** We must respect the confidentiality and privacy of customers and suppliers and their business information. We must seek to reduce the costs of managing risks arising from improper
- **behavior, including fraud, theft, anti-competitive practices and corruption.**
- **Compliant.** We must be aware of and comply with all applicable laws, including any foreign laws that may apply. We must ensure that our procurement processes, business relationships, communications, and the supplies that we procure are all fully compliant with all applicable laws, including laws aimed at combating discrimination, fraud and corruption, unfair competition, and illegal trade practices.

While operating within local laws and regulatory requirements, suppliers of IDEC shall apply and abide by the principles outlined in this policy in addition to the IDEC Commitment to Ethical Behavior and the Code of Conduct. Where any aspect of the policy or code is unclear, or where a supplier feels they cannot comply with any aspect of the principles they will seek guidance from GPS.

Procurement personnel, and particularly those in leadership roles and those dealing directly with suppliers, must ensure that they:

- Avoid the appearance of, and do not engage in, unethical or compromising practices in their business relationships, communications and actions;
- Recognize and deal with any conflict of interest in accordance with our IDEC Commitment to
- Ethical Behavior and Code of Business Conduct and Conflict of Interest Policy;
- Avoid any personal, business or professional activity that would create, or appear to create a conflict between personal interests and the interests of the Company or its customers or business partners;
 - Avoid improper or illegal reciprocal agreements;
 - Promote positive relationships with suppliers through fair treatment in all dealings with them; and
 - Comply with the Company's Gifts, Hospitality and Entertainment Policy, and related policies aimed at ensuring ethical business practices and avoiding waste, fraud and abuse.

DISCIPLINARY ACTION

Any violation of this Policy may subject the employee to disciplinary action, up to and including termination. In addition, any employee with knowledge of any violation who does not report it may be subject to disciplinary action, up to and including termination.

RELATED POLICIES

IDEC Commitment to Ethical Behavior and the Code of Conduct
IDEC Anti-trust and Competition Law Policy
IDEC Conflict of Interest Policy
IDEC Customer, Supplier and Business Partner Due Diligence Policy
IDEC Foreign Trade and Sanction Policy
IDEC Supply Chain Policy
IDEC Gifts, Hospitality and Entertainment Policy
Legal Matters Policy