

ConocoPhillips Canada Purchase Order Terms and Conditions

In these terms and conditions:

“Order” means the purchase order for goods and/or services as described on the cover sheet thereof, together with either or both of the Terms and Conditions for Materials and the Terms and Conditions for Services, as the case may be, and together with any additional pages which may be attached to the purchase order by the Buyer.

“Work” means the activities required to properly fulfill the Order and/or the results of such activities.

“Buyer” means ConocoPhillips Canada Resources Corp., a corporation incorporated under the laws of the Province of Nova Scotia, having offices in the City of Calgary, in the Province of Alberta or any such of its affiliates that issues an Order.

“Seller” means the party identified on the cover sheet to which the Order is issued for the supply and/or provision of the required goods and/or services.

ConocoPhillips Canada Purchase Order Terms and Conditions For Material

To the extent that the Order requires Seller to supply material, the following Terms and Conditions for Material shall apply:

1. APPLICABLE LAW, JURISDICTION, AND COMPLIANCE

The Order shall be construed in accordance with the laws of the Province of Alberta. The Buyer and Seller hereby submit to the exclusive jurisdiction of the courts of the Province of Alberta in relation to all matters arising out of the Order.

During the performance of the Work, Seller shall comply with all applicable federal, provincial and local laws, rules, regulations, orders, permits and authorizations and shall comply with all of Buyer's policies applicable to the Work including those related to occupational health, safety, and the environment. Copies of applicable Buyer rules and policies will be provided to Seller upon request.

2. STATUS OF SELLER

Seller is an independent contractor in the provision of goods and/or performance of services hereunder.

3. ENTIRE AGREEMENT

Except as provided in the next paragraph, these terms and conditions and the other provisions of the Order, when accepted by Seller, constitute the entire agreement between the parties with respect to the subject matter hereof and shall not be altered, amended, supplemented, or cancelled except in writing by Buyer.

If there is an inconsistency or conflict between the Order and any Master Purchasing Agreement, professional and technical services agreement or other umbrella agreement under which the Order may be issued, then any such agreement shall prevail to the extent of any such inconsistency or conflict.

4. ACCEPTANCE

In addition to any other applicable mode of acceptance, the shipment of any goods or performance of any services specified in this Order will constitute acceptance of all terms and conditions of the Order.

5. PACKAGING, SHIPMENT, AND DELAYS

Seller shall utilize the most economical means of shipment unless otherwise instructed by Buyer. Seller shall ensure that all shipments and associated documentation shall comply with the Transportation of Dangerous Goods (TDG), Workplace Hazardous Materials Information System (WHMIS), and all other applicable legislation.

Seller shall advise at once in writing if unable to meet specified shipping date(s). Time is of the essence of this Order and Buyer reserves the right to cancel this Order at any time if specified shipping date(s) is (are) not met.

Seller shall ensure that each shipment contains a packing slip listing contents and Order number. Buyer's count will be accepted as final and conclusive on all shipments not accompanied by a packing slip.

Seller must include the Order number and other specified numbers on the Bill of Lading and advise the carrier that such numbers must be shown on freight bills. Seller prepaid freight charges for Buyer's account must be supported by a copy of the Bill of Lading and the carrier's freight bill.

No minimum order charges, or charges for packing, cartage, insurance or value charges by any mode of transportation shall be payable or paid by Buyer unless so specified on this Order.

6. INSPECTION

All goods and services shall be subject to Buyer's inspection but neither Buyer's inspection nor non-inspection shall relieve Seller of its obligations hereunder.

7. PRICES, TAXES, INVOICING, AND PAYMENT

No prices and no charges (including taxes or customs and excise duties) other than those indicated on the cover sheet of this Order shall be payable by Buyer unless agreed to by Buyer and confirmed by an amendment or change order. Seller shall apply Goods and Services Tax (GST) to all invoices and shall indicate such amount as a separate line item. Seller shall indicate Buyer's purchase order number, item numbers, material or stock numbers, and description on all invoices. Seller shall indicate all applicable cash discounts on all invoices. When invoices are not submitted on invoice date, discount period will be computed from date of invoice receipt by Buyer.

Electronic invoicing shall be used to the maximum extent possible for which Seller shall execute an Electronic Funds Transfer (EFT) form. Paper invoices are to be submitted to ConocoPhillips Canada (or other ConocoPhillips affiliate identified on the cover sheet of the Order) to the following address:

PO Box 2566, Station M
Calgary, Alberta
T2P 2H7
Attention: Accounts Payable

Payment terms: net 30 days from date of receipt of invoice unless discounts are offered for early payment.

8. WARRANTY

Seller warrants that it has clear and unencumbered title to all goods supplied hereunder. Seller warrants and represents that it shall (1) provide goods, material and equipment consistent with applicable industry standards and practices; (2) use sound engineering and/or technical principles where applicable; (3) provide goods, material and equipment in compliance with specifications provided or approved by Buyer; (4) use or furnish goods, material and equipment that are merchantable, fit and new; and (5) where mutually agreed, use or furnish merchantable, fit, and used goods, material and equipment. To the extent assignable, all rights and remedies available to Seller or its subcontractors shall be passed directly to Buyer. At no cost to Buyer, Seller shall remedy nonconforming workmanship or replace nonconforming goods, material and equipment, including removal of facilities as may be necessary to (1) reveal and (2) repair or replace nonconforming goods, material or equipment, and reinstallation of such facilities removed in connection therewith. If Seller does not remedy nonconforming goods, material or equipment immediately, Buyer may do so at Seller's expense. If Seller fails to pay the expense, Buyer may deduct all expenses from any payments due to Seller. At no cost to Buyer, Seller shall diligently and promptly remedy nonconforming workmanship, goods, material and equipment discovered within the earlier of (a) twelve (12) months from the date of installation, or (b) eighteen (18) months of receipt. However, in the event that manufacturer's warranty provides for a period greater than previously described, such longer warranty period will apply. Any goods or services which are repaired, replaced, or re-performed hereunder shall be warranted for a twelve (12) month period from the date of such remedial action.

9. PROPRIETARY RIGHTS

Seller shall indemnify, defend and hold Buyer, Buyer's affiliates and their co-venturers harmless against all claims, judgments, losses, costs (including attorney's fees), suits, payments and causes of action of whatsoever kind asserted by or arising in favor of any person or entity for, or as a result of, infringement of any patent(s) or copyrights, or misappropriation or misuse of trade secret(s) or other confidential information, based on or related to Seller's or Seller's subcontractors' use or application of any equipment, article of manufacture, machine, computer software, or process; provided that Buyer shall have the right at its discretion to be represented by its own attorney and to participate in any action in which Buyer is named as defendant. Should Seller be prevented from performing under any purchase order by reason of legal proceedings based upon such claim of infringement, Buyer shall be relieved of its obligations to make payment for such goods, material or equipment not furnished as a result thereof.

10. AUDIT, ETHICS, AND CONFLICTS OF INTEREST

Seller shall, and shall ensure that its subcontractors maintain a true and correct set of records pertaining to all activities relating to its performance of this Order and all transactions related thereto. Seller further agrees, and shall ensure that its subcontractors agree, to retain all such records, for a period of not less than four (4) years after completion of performance under this Order. Any representative(s) authorized by Buyer may audit any and all such records of Seller and its subcontractors at any time(s) during the term of this Order and during the four (4) year period after completion of performance. Seller shall cooperate fully with Buyer during the audits performed hereunder, including furnishing Buyer with copies of all requested documents. Buyer shall have the right to obtain statements from Seller's personnel in the course of such audits. Seller shall not, and shall ensure that its subcontractors shall

not, directly or indirectly pay salaries, commissions, or fees, or make payments or rebates to employees or officers of Buyer, or designees of such employees or officers, with gifts or entertainment of significant cost or value, or with services or goods sold at less than full market value, nor enter into any business arrangements with employees or officers of Buyer, unless such employees or officers are acting as representatives of the Buyer.

11. DEFAULT

Failure of Seller to comply with any express or implied provisions of the Order; the insolvency, bankruptcy, or receivership, of Seller or an assignment by Seller for the benefit of creditors shall entitle Buyer (without limiting any other rights or remedies Buyer may have) to immediately terminate all or part of the Order without penalty. Upon such termination: Buyer shall be relieved of all further obligations hereunder except the obligation to reimburse Seller for Seller's actual direct out-of-pocket costs incurred to the effective date of the termination and reasonably attributable to the Order; Seller shall be liable to Buyer for all costs incurred by Buyer in completing and procuring the completion of performance in excess of prices specified.

12. FORCE MAJEURE

Either party may withdraw from its obligations hereunder when, and to the extent that, performance is delayed or prevented by any cause, except a lack of finances, reasonably beyond its control including, but not limited to, fire, explosion, war, breakdown of machinery or equipment, strikes and labour disputes. Either party wishing to invoke these provisions shall promptly notify the other party in writing.

13. TERMINATION

Buyer may terminate the Order without cause at any time in whole or in part by written notice to Seller. Upon receipt of such notice, Seller shall cease performance except as directed by Buyer. Upon such termination, Buyer shall reimburse Seller for Seller's actual direct out-of-pocket costs incurred to the effective date of the termination and reasonably attributable to the Order and such termination costs as the parties may agree. In no event shall Buyer be liable to Seller for any lost or unearned profit, bonus, damage or other claim for Work terminated or not performed for any reason.

14. ASSIGNMENT, SET-OFF, AND HOLDBACKS

Seller shall not assign the Order or any interest therein, including any payment due, without Buyer's prior written approval. Buyer shall be entitled to set-off any account owing from Seller or its affiliated companies against any amount due or owing to Seller with respect to this Order. Buyer may withhold any funds from payment to Seller as required by any law or court order.

15. WAIVER

No payment or acceptance by Buyer shall constitute a waiver with respect to any of the provisions of this Order. No waiver shall be valid unless confirmed in writing by Buyer.

16. US EXPORT CONTROL COMPLIANCE

To the extent applicable to the Work, Seller shall comply with all export and re-export control laws and regulations, including the Export Administration Regulations (EAR) maintained by the US Department of Commerce, trade and economic sanctions regulations maintained by U.S. Treasury Department's Office of Foreign Assets Control (OFAC), and the International Traffic in Arms Regulation (ITAR) maintained by the U.S. Department of State.

17. GENERAL

Any right, cause of action, or remedy assumed or imposed upon Seller hereunder shall extend to any company affiliated with Buyer or upon whose behalf the Order is issued by Buyer.

This Order shall enure to and be binding upon the parties and their respective heirs, executors, and assigns.

18. OTHER

This Order, including the description of merchandise, service, equipment and/or accessories, along with any proposal, bid, quotation or other document attached hereto, expressly referenced herein and made a part hereof, is an offer to purchase and acceptance is expressly limited to the terms and conditions set out in such offer. Any acceptance, proposal, bid, quotation or offer not so made a part hereof which states terms additional to or different from those so offered herein shall not be binding on Buyer and Buyer hereby rejects any such additional or different terms and conditions unless such additional or different terms are agreed to in writing by Buyer.

ConocoPhillips Canada Purchase Order Terms and Conditions For Services

To the extent that the Order requires Seller to provide services, the following Terms and Conditions for Services shall apply.

1. INDEPENDENT CONTRACTOR

Seller is an independent contractor, and all persons employed or contracted by Seller in connection with the Work shall not be deemed to be the employees, representatives or agents of Buyer in any respect.

2. PERFORMANCE OF WORK

Seller, in a good and workmanlike manner and to the satisfaction of Buyer, shall furnish all supervision, labor, equipment, materials, tools, supplies, and incidentals, except as specified herein to be provided by Buyer, and do all things necessary to perform the Work required herein when and as required by the Order and these terms and conditions. Before starting Work, Seller shall make a thorough inspection of the Work site to determine the difficulties and hazards incident to the Work. Seller shall provide continuous adequate protection of the Work, Buyer property and adjacent property, and take all necessary precautions for the safety of all persons at the Work site. All Work hereunder shall be performed by personnel experienced and highly skilled in their profession and in accordance with the highest applicable standards of workmanship. Seller shall be responsible for the professional quality, timeliness, safety, coordination and completeness of the Work. All materials furnished by Seller shall be new and of the quality and type specified. No substitution may be made without specific prior written approval of Buyer.

3. INSPECTION AND RECORDS

Buyer may inspect the Work and any and all Seller records relating to the Work performed hereunder at any reasonable time. Seller agrees to retain, for a period of at least two years from and after the end of the year of completion or termination of Work, Work tickets, invoices, payrolls and other supporting records applicable to the Work.

4. ACCEPTANCE

In addition to any other applicable mode of acceptance, the shipment of any goods or performance of any services specified in this Order will constitute acceptance of all terms and conditions of the Order.

5. TERMINATION

Buyer may terminate the Order at any time for any reason by giving notice to Seller. Seller shall stop all Work so terminated when specified by Buyer. Buyer will pay Seller for all Work satisfactorily performed to the time of termination and all actual and reasonable costs incurred by Seller as a consequence of such termination. In no event shall Buyer be liable to Seller for any lost or unearned profit, bonus, damage or other claim for Work terminated or not performed for any reason.

6. COMPENSATION

Seller shall be compensated as set forth herein for Work performed in accordance with the Order. Said compensation shall constitute payment in full for performance of Work hereunder, for all loss or damage arising out of performance of Work, and for all risks of every description connected with the Work, except as may be otherwise expressly provided in the Order. If a Total Estimated Cost is set forth in the Order, Seller shall not be compensated for any costs in excess of such Total Estimated Cost without prior written Buyer approval.

7. INVOICE AND PAYMENT

Invoices shall be prepared in the form and manner requested by Buyer and shall be submitted no more frequently than monthly, unless otherwise directed by Buyer. All invoiced amounts shall be itemized in the detail required by Buyer and certified by Seller as constituting allowable charges hereunder. Invoices for items to be reimbursed based on Seller's actual costs shall be accompanied by original invoices verifying payment of such costs. Where Seller's costs require the prior approval and/or subsequent verification by Buyer, evidence of such approval and/or verification shall be submitted by Seller with its invoice. Conditioned upon satisfactory completion of Work, Buyer will pay all amounts due within thirty (30) days after receipt of Seller's invoice, except that if Buyer, in good faith, disputes any amounts invoiced, Buyer will so notify Seller and will withhold payment until such dispute is resolved.

8. SAFETY

Seller shall take all necessary precautions to maintain the Work site free from hazards likely to cause injury, illness or death to persons or damage to property or the environment. Buyer reserves the right to suspend Work, if in Buyer's opinion, it is not safe for the Work to continue. Seller shall immediately report any safety or environmental incident to Buyer.

9. INSURANCE

9.1 Minimum Required Coverages

Seller shall provide and maintain in effect, with insurance companies acceptable to Buyer, the following minimum amounts and types of insurance:

- a. Worker's Compensation Insurance in accordance with the laws of the jurisdiction where Work is to be performed or alternatively Employer's Liability insurance with a limit of not less than \$2,000,000 CDN per accident.
- b. Commercial or Comprehensive General Liability Insurance, including coverage for products/completed operations and for contractual liability, insuring the indemnity agreement set forth in this Service Purchase Order with limits of not less than \$2,000,000 CDN applicable to bodily injury, sickness or death for any one occurrence and \$2,000,000 CDN for loss of or damage to property for any one occurrence. Such insurance shall include sudden and accidental pollution liability coverage.
- c. Automobile Liability Insurance covering owned, non-owned, hired and all other vehicles used by Seller with limits of not less than \$2,000,000 CDN applicable to bodily injury, sickness or death of any one person and not less than \$2,000,000 CDN for more than one person for any one occurrence and \$2,000,000 CDN for loss of or damage to property for any one occurrence.

9.2 Policy Endorsements

Seller shall obtain the following endorsements to its insurance policies applicable to the requirements of the Order for Employer's Liability (if applicable) and Comprehensive General Liability Insurance:

- a. Additional Insureds—Buyer and any joint venturers of record shall be named as additional insureds.
- b. Waiver of Subrogation—Seller's insurer(s) shall waive all rights of subrogation against Buyer and any joint venturers of record.

9.3 Accident Reporting

Seller shall verbally report to Buyer, as soon as practicable, all accidents or occurrences resulting in personal injuries or property damage and to also provide Buyer with a timely written report concerning such accidents or occurrences.

10. INDEMNITY FOR PERSONAL INJURY AND PROPERTY DAMAGE

a. Indemnity

To the fullest extent permitted by law, Seller shall protect, defend, indemnify and save and hold Buyer, its affiliates, any named working interest owners and joint venturers, and their respective officers, directors, agents and employees harmless from and against any and all claims, costs and liabilities, without limit and without regard to the cause or causes thereof or the negligence of any party or parties, arising in connection herewith in favor of Seller, Seller's employees or Seller's subcontractors or their employees, on account of bodily injury to, or death of persons, or loss of or damage to property. To the fullest extent permitted by law, Buyer shall protect, defend, indemnify and save and hold Seller and its officers, directors, employees and joint owners harmless from and against any and all claims, costs and liabilities, without limit and without regard to the cause or causes thereof or the negligence of any party or parties, arising in connection herewith in favor of Buyer, Buyer's employees or Buyer's contractors or their employees, other than those parties identified in the preceding sentence, on account of bodily injury to, or death of persons, or loss of or damage to property. If Seller or Seller's subcontractors are sole proprietors or partnerships, the sole proprietors or the partners as the case may be shall be deemed to be Seller's or Seller's subcontractor's employees. The indemnity obligation and liabilities assumed hereunder are without regard to whether the claim against the indemnitee is the result of an indemnification agreement with another contractor or subcontractor.

b. Willful Misconduct

The indemnity obligations set forth in this paragraph 9 shall not apply to any claim or liability to the extent it is caused by an indemnitee's willful misconduct.

c. Right to Defend

Buyer shall have the right, at its own expense, to join in the defense of any action in which it is made a defendant.

11. CONSEQUENTIAL DAMAGES

Neither party shall be liable to the other for any special, incidental, indirect or consequential damages, nor for any loss of profits, production or business interruption arising out of or in connection with Seller's performance under the Order.

12. LICENSES AND PERMITS

In connection with Seller's performance hereunder, Seller shall be responsible for obtaining any and all permits, licenses, certifications and any other similar authorizations required or which may be required by any governmental body, except where laws, rules or regulations expressly require Buyer to obtain same.

13. PATENTS, TRADE SECRETS AND CONFIDENTIAL INFORMATION

Seller shall indemnify, hold harmless, and defend Buyer, Buyer's affiliates and their co-venturers against any claims, judgments, losses, costs (including attorney's fees), suits, payments and causes of action of what so ever kind, alleging infringement of any patent, copyright, and/or misappropriation of any confidential information or trade secrets in the United States, in the country of source and in the country of destination, based upon the performance of said Work or manufacture, sale or use of goods, machinery or equipment supplied hereunder. Seller agrees to keep confidential and not to disclose to others or to use in any way confidential business/technical information that Buyer may disclose in conjunction with the Order, or that Seller may be exposed to as a result of entering Buyer property to perform Work, deliver goods, machinery or equipment hereunder. Notwithstanding restrictive legends to the contrary, no confidentiality or limited use obligation will be imposed on Buyer by acceptance of materials supplied by Seller.

14. COMPLIANCE WITH LAWS, REGULATIONS AND BUYER POLICIES

During the performance of the Work, Seller shall comply with all applicable federal, provincial and local laws, rules, regulations, orders, permits and authorizations. Seller shall also comply with all of Buyer's rules and policies applicable to the Work, including those relating to health, safety, and environmental protection, and camp and Work site rules and policies. Copies of applicable Buyer rules and policies will be provided to Seller upon request. To the fullest extent permitted by law, Seller shall fully protect, defend, indemnify, save and hold Buyer, its affiliates, any unit participants, working interest owners and joint venturers of record, and their respective officers, directors, agents, and employees harmless from and against any and all claims and liabilities resulting from Seller's failure to comply with this provision. Buyer shall have the right, at its own expense, to join in the defense of any action in which it is made a defendant.

15. TAXES

Seller shall defend, indemnify and hold Buyer, its parent, subsidiaries and affiliated companies, and any named working interest owners or joint venturers harmless from any and all claims, judgments, losses, expenses and any costs related thereto (including court costs and lawyer's fees) and for all taxes as specified below which may be assessed or levied directly or indirectly against Buyer or Seller by any taxing authorities claiming jurisdiction over the Work, including but not limited to: All income or other taxes, charges and imposts assessed or levied on account of Seller's earnings; All taxes assessed or levied against or on account of salaries or other benefits paid by Seller to Seller's employees; All taxes assessed or levied against or on account of any property of Seller; All applicable excise, sales or use taxes assessed or levied against or on account of the rates of compensation received by Seller under the terms of this Agreement; All landing fees and levies imposed during the performance of Work hereunder. It is the intent of this Article 14, TAXES, that all taxes which accrue as a result of performance by Seller pursuant to the Work, herein described, be the legal responsibility of Seller. All such applicable taxes will be paid by Seller to the proper taxing authority in the manner prescribed by law.

16. US EXPORT CONTROL COMPLIANCE

To the extent applicable to the Work, Seller shall comply with all export and re-export control laws and regulations, including the Export Administration Regulations (EAR) maintained by the US Department of Commerce, trade and economic sanctions regulations maintained by U.S. Treasury Department's Office of Foreign Assets Control (OFAC), and the International Traffic in Arms Regulation (ITAR) maintained by the U.S. Department of State.

16. WARRANTY

Seller warrants that all Work shall be performed in accordance with the requirements of the Order and shall be adequate for its intended use. Seller shall be responsible for the quality and technical accuracy of all Work. If Buyer determines that any part of the Work is defective or deficient, Buyer may give notice to Seller requesting it to remedy promptly said defect or deficiency. Seller shall, without additional compensation, correct said defect or deficiency.

17. ACCESS TO BUYER FACILITIES

Seller will be granted the access to Buyer facilities required for the performance of the Work. Buyer, at its sole discretion, shall determine the extent to which Seller and Seller's personnel shall be allowed unescorted movement in and around Buyer operations.

18. GOVERNING LAW

The Order shall be construed in accordance with the laws of the Province of Alberta. Buyer and Seller hereby submit to the exclusive jurisdiction of the courts of the Province of Alberta in relation to all matters arising out of the Order.

19. ENTIRE AGREEMENT

Except as provided in the next paragraph, the Order sets forth the entire agreement relating to the Work and there are no promises or understandings other than those stated herein. The execution by Buyer of any receipts or similar documents prepared by Seller and containing any contrary or additional terms shall be void and not modify or add to the terms of the Order in any way, nor shall any such execution create a new contract. Notwithstanding any of the foregoing, if there is an inconsistency or conflict between the Order and any Master Services Agreement, professional and technical services agreement or other agreement under which the Order may be issued, then any such agreement shall prevail to the extent of any such inconsistency or conflict.

If there is an inconsistency or conflict between the Order and any Master Services Agreement, professional and technical services agreement or other umbrella agreement under which the Order may be issued, then any such agreement shall prevail to the extent of any such inconsistency or conflict.

- END OF TERMS AND CONDITIONS -