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**PURCHASE ORDER TERMS & CONDITIONS**

This Purchase Order, including these Terms & Conditions, the order provisions on page 1, all specifications, drawings, descriptions, and other provisions referenced herein or provided by Arnett & Burgess Oilfield Construction Ltd. ("A&B"), and all terms and conditions of any contract between A&B and its customer ("Head Contract") which relate to the goods, materials, property, parts, equipment, products, services, licenses, warranties, or other things of value (the "Goods") specified by A&B on page 1 (or otherwise referenced herein) (collectively the "Order"), constitutes an offer to purchase the Goods/Services, without variation or substitution, at the price(s), with the delivery date(s), and exclusively on the terms and conditions set forth herein. Any conflict between this Order and the terms and conditions of any Head Contract or other agreement, shall be governed by the term or condition which is more favorable to A&B or its customer.

1. **General.** This Order may not be amended or modified by Seller, is conditioned upon Seller's assent to the terms and conditions hereof, and acceptance is limited to the terms and conditions hereof; prior or other courses of dealing or trade usages shall not modify this Order. Seller's written acknowledgement or commencement of performance of this Order shall constitute acceptance of this Order exclusively on its terms and conditions. This Order constitutes the entire agreement of the parties (the "Agreement") and may be changed or modified only by written instrument specifically and expressly identified as an amendment to this Order and signed by A&B's authorized representative. No writing or communication of Seller (including any Seller modifications made to this document) or delivery or performance by Seller shall have the effect of modifying this Order, and all such different or additional terms and conditions are and shall be excluded from this Agreement. Purchase orders issued under a MSA shall be executed in accordance with the provisions contained in the references MSA and the requirements specified below.
2. **Invoicing.** A Seller is required to submit a proper invoice to receive payment. A proper invoice shall be one that includes all of the following information: (i) the name and business address of the Seller; (ii.) the date of the proper invoice; (iii.) the period during which the Goods were furnished; (iv.) information identifying this Order or the Head Contract, as the authority under which the Goods were furnished; (v) a description of the Goods furnished; (vi.) the amount requested for payment and the corresponding payment terms broken down for the Goods; (vii.) the name, title and contact information of the person to whom the payment is to be sent; (viii.) a statement indicating that the invoice provided is intended to constitute a proper invoice; (ix.) applicable GST, provincial sales tax numbers; (x.) any holdback amounts (xi.) any other information that A&B may prescribe in writing. On a monthly basis, five (5) days after provision of Goods to A&B, the Seller must provide A&B with a proper invoice for the provided Goods so that A&B has time to review and approve or dispute it, (as the case may be), in advance of making payment pursuant to this Agreement and Applicable Law.
3. **Payment.** In respect of Goods that are the subject of prompt payment obligations set out in Applicable Law, A&B, upon receiving payment from its customer for Goods and having received a proper invoice in respect of those Goods, shall pay the Seller for the those Goods within seven (7) days; provided that the Seller's proper invoice is not in dispute and the Goods are purchased and delivered in accordance with the terms of this Order with all supporting documentation. In respect of all of other Goods, undisputed portions of Seller's invoice(s) shall be paid for conforming Goods purchased and delivered in accordance with the terms of this Order, 60 days after A&B's receipt of a proper invoice for the Goods with all supporting documentation. Subject to applicable law, A&B reserves the right to refuse payment of any improper invoice including one submitted later than sixty (60) days following the provision of Goods covered by any such invoice. Payment shall not constitute acceptance of Goods and shall be subject to adjustment for failure of Seller to meet requirements of this Order. Any advance payments are fully refundable upon Seller's failure to meet the delivery schedule. Invoices hereunder shall be subject to audit by A&B. No payment shall limit Seller's obligations or A&B's rights or remedies. The price(s) on page 1 is(are) fixed and includes all applicable national, provincial, federal, and local taxes, except sales taxes. Tax and surcharge fees (if any) shall appear as separate lines on this Order and any applicable invoice. A&B may deduct from any invoice or obtain reimbursement from Seller for any taxes for which A&B has a valid exemption certificate, any taxes of Seller, or any taxes required to be but not separately set forth in this Order and the applicable invoice. Upon request, Seller shall also obtain and then provide evidence to Buyer of any clearance certificate documents provided pursuant to applicable provincial sales tax and worker compensation law.
4. **Delivery; Risk of Loss; Inspection.** Delivery from all shipping points is F.O.B. the destination shown on the Order during normal business hours (local time). Time is of the essence. Seller shall bear all damages and losses which arise directly or indirectly from the failure to deliver conforming Goods in accordance with this Order, including the delivery schedule specified in the Order. Seller shall notify A&B immediately if it appears that Seller may not meet the delivery schedule and shall set forth the reasons for the delay (actual or potential), the steps being taken to remedy the delay, and the schedule that Seller believes it will be able to meet. A&B's receipt of notice shall not constitute approval of the delay or the proposed revised delivery schedule or a waiver of the delivery schedule in the Order. Non-conforming Goods, including without limitation unauthorized advance shipments and shipments other than for the quantity ordered, are returnable at Seller's expense. Delivery shall not be deemed complete until all conforming Goods have been received and signed for by A&B at the destination specified in the Order. Buyer's Purchase Order Number must be referenced on all packing slips, bill of lading and invoices. All shipments require a bill of lading, packing/field ticket to be verified and copy retained by onsite personnel. All risk of loss and damage including in transit shall (regardless of any contrary shipment terms) be upon Seller and shall not pass to A&B until Goods are received at A&B's destination in a condition in accordance with this Order. In the event of rejection or revocation of acceptance of any Goods, all risk of loss of or damage to such Goods shall shift to Seller upon any such rejection or revocation of acceptance. Seller shall cause the Goods to be insured with a responsible insurance company against all loss and damage. The cost of return shipments shall be borne by Seller. Seller shall not make any material commitments or production arrangements in excess of the amount or in advance of the time necessary to meet A&B's delivery schedule, except at Seller's own risk. A&B shall receive all Goods subject to final inspection and approval which shall in no event be earlier than 45 days after delivery to A&B's destination, or, with respect to latent defects, 45 days after actual discovery of such defects by A&B. Defective Goods may be returned at A&B's option for refund, credit, or replacement at Seller's expense. A&B's inspection/approval or failure to inspect/approve shall not limit Seller's obligations or A&B's rights or remedies.
5. **Warranties.** In addition to any Head Contract warranties, Seller expressly warrants that all Goods and Services shall: strictly conform to the specifications, drawings, and other descriptions referred to in this Order or provided by A&B; be merchantable and free from defects in workmanship, installation, materials, and design; conform to Seller's marketing materials and other representations; perform as specified. These warranties extend to A&B, its affiliates, A&B's customers, and the users of the Goods, and shall be in addition to any other warranties referenced herein or implied by law, shall survive inspection, delivery, approval, acceptance, and payment, and shall continue for the warranty period applicable to A&B's customers or products which incorporate the Goods.
6. **Changes.** A&B may at any time, from time to time, by written direction make changes to any part of this Order. Should any such change increase or reduce the cost of, or the time required for performance of, this Order, a mutually agreed equitable adjustment will be made in the price or delivery schedule. Any requests by Seller



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for an increase in the price or an extension in delivery schedule must be made within 10 calendar days from the date of such written direction from A&B and be approved in writing by A&B; otherwise, it is waived.

7. **Non-Disclosure Obligation.** Seller shall not use or disclose (or allow such) to third parties any information regarding A&B's or any project owner's (or their respective affiliates or customers') business affairs, finances, technology, processes, plans, facilities, properties, installations, product information, know-how, design drawings, specifications, inventions, ideas, photos, videos, or other information which is or may be confidential or proprietary ("Confidential Information") which is received or learned by Seller in connection with this Order or is developed pursuant thereto. Seller shall use all commercially reasonable efforts to prevent the disclosure of Confidential Information. This Section shall not apply to information that was already in the prior possession of Seller, that is or becomes a part of the public domain through no fault of the Seller, or to the extent required by applicable law to be disclosed in legal proceedings. The confidentiality obligations of the Seller set forth herein shall survive the expiration, fulfillment, cancellation, or other suspension or termination of the Order. All Confidential Information shall be the exclusive property of A&B and A&B shall retain all ownership and property interests therein, including copyrights. Seller shall have no ownership of or interest, including copyrights, in any Confidential Information. Upon acceptance of the Goods, Seller shall return any such Confidential Information and make no further use either directly or indirectly of such Confidential Information. Additionally, Seller shall not advertise, publish, or issue any news release or make any public announcement or confirmation concerning the fact that the Seller has furnished or has contracted to furnish Goods to A&B.
8. **Liability of A&B.** Notwithstanding anything in this Order or otherwise to the contrary, A&B's sole and exclusive liability and obligation to Seller is the payment of undisputed amounts for the Goods in accordance with the terms of this Order. Seller waives and releases any and all other actual and potential claims, rights or remedies against A&B.
9. **Intellectual Property.** Seller agrees and represents and warrants that (i) the manufacture, delivery, sale, installation, use, and/or incorporation into products/equipment of Goods do and shall not infringe or violate any patent, copyright, trademark, trade designation, trade secret, or other proprietary, contractual, or property right or interest; and (ii) all license fees and royalties pertaining to the Goods have been paid. If the use or sale of the Goods is enjoined as a result of such claim, suit or action, Seller, at no expense to A&B, shall at its own expense immediately obtain for A&B and its customers rights to use and sell the Goods reasonably satisfactory to A&B.
10. **Compliance with Laws.** Seller shall comply at its own expense with all applicable laws, ordinances, rules, regulations, codes, licenses, permits, judgements, and orders, including the identification and procurement of required permits, certificates, licenses, insurance, approvals, and inspections.
11. **Cancellation of Order.** A&B may cancel, suspend, or modify this Order by notice to Seller at any time prior to acceptance of Goods. If A&B gives such notice prior to shipment, A&B shall have no liability under this Order. In the event of A&B's cancellation without cause after shipment of conforming Goods, A&B's sole liability shall be to reimburse Seller for actual delivery costs incurred by Seller. No restocking, handling, or other charges shall be applicable to A&B. A&B shall also be liable for the actual, special costs incurred by Seller prior to such notice in customizing Goods upon the express written request of A&B. Notwithstanding, in no event shall A&B's liability exceed the total price provided for herein for finished conforming Goods delivered under this Order. Within 10 calendar days after notice of cancellation, suspension or modification under this Section, Seller shall submit a proper invoice to A&B specifying and documenting any and all charges which Seller claims in connection with this Order or such actions. Subject to applicable law, Charges not claimed within such period are waived by Seller.
12. **Termination for Default.** Notwithstanding anything in this Order or otherwise to the contrary, A&B may by notice to Seller unilaterally terminate this Order without liability if (i) Seller fails in any respect to comply with this Order; or (ii) if, upon A&B's written request, Seller fails to provide evidence, satisfactory to A&B, that Seller will comply with this Order. In the event of termination under this Section, A&B may procure the Goods or similar goods and services on such terms as A&B deems appropriate, and Seller shall be liable for excess re-procurement costs. Further, Seller shall be liable to A&B for any other remedies of A&B at law or in equity.
13. **Indemnification.** Subject to applicable law, Seller releases and shall defend, indemnify, and hold A&B, its affiliates, customers, project owners and their respective employees, agents, representatives, contractors and subcontractors (excluding Seller), directors, officers, insurers, bonding companies, lenders, agents, licensees, successors and assigns (individually and collectively the "Indemnitees"), harmless from and against any and all claims, demands, suits, actions, legal proceedings, liabilities, losses, injuries, penalties, assessments, expenses, delay damages, liquidated damages, attorneys' fees, and costs whatsoever, incident to or arising from any actual or alleged: (a) defect in the Goods; (b) failure to comply with specifications of the Order, or with the express or implied warranties of Seller; (c) violation by the Goods, or in their manufacture or sale or installation, of any law, statute, ordinance, order, rule, requirement, or regulation; (d) infringement or alleged infringement (as described in Section 8 above); (e) loss or damage to the Goods while in Seller's care, custody or control; (f) bodily injury, including death, at any time, sustained by any person or persons, or damage to property, including loss of use thereof, arising out of or in consequence of the Goods supplied hereunder, including, without limitation, defects in design, materials, and/or manufacture; (g) breach of this Order by Seller; or (h) acts or omissions of Seller, including, without limitation, in providing any Services. Without limiting the generality of the foregoing, the Seller releases and shall defend, indemnify, and hold harmless (to the maximum extent permitted by applicable law) the A&B and other Indemnitees from liability for negligence or claimed negligence of A&B or the other Indemnitees. In the case of claims against A&B or other Indemnitees by any employees of Seller, anyone directly or indirectly employed by Seller, or anyone for whose acts Seller may be liable, the indemnification obligations under this Order shall not be reduced in any way by any limitation on the amount or types of damages, compensation or benefits payable by or for Seller under workers' compensation acts, disability benefit acts, or other employee benefit acts. In any of the foregoing events, A&B may also be represented in any such suits, actions, or legal proceedings by attorneys of its own selection.
14. **Waiver of Liens.** To the fullest extent permitted by law: Seller agrees that neither Seller, any material supplier thereto, nor any employee, agent, representative thereof, shall file against A&B, A&B's customers, project owners, or the property or real estate of any of them, any lien of any kind, including but not limited to, any laborers', mechanics' and/or materialmen's liens (collectively "Lien"); and Seller waives the right to file any such Lien. Further, Seller releases and agrees to indemnify, defend, and hold harmless A&B and other Indemnitees, and the property and real estate of any of them, from and against the filing or assertion of any such Lien and any loss or damage resulting therefrom including costs, expenses, and attorneys' fees. The foregoing waiver of liens shall not apply to liens arising out of a failure by A&B to pay undisputed invoices in a timely manner in accordance with Section 2 of this Agreement.
15. **A&B Work.** Seller shall compensate A&B on a time and materials basis for all services performed and charges incurred (at cost plus 15%) by or on behalf of A&B at the request of Seller or to remedy any failure of Seller to conform to or comply with this Order.
16. **Insurance.** At minimum, Seller shall maintain auto liability insurance and general liability insurance each in amounts sufficient to comply with the applicable requirements of the Head Contract. Where a Head Contract is not applicable, minimum auto insurance with limits of \$2 million per occurrence and general liability insurance with limits of \$5 million aggregate during the course of the performance of any Services shall be procured by Seller. Seller will procure oil & gas (wellhead) liability insurance if applicable, with minimum limits per occurrence of \$5 million. Seller shall name A&B as additional insured and waive all rights of subrogation. Seller shall carry Workers



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Compensation Insurance as required by law and provide A&B with a certificate of insurance and endorsements evidencing all required insurance coverage. All such Seller insurance coverages and policies shall be primary to, and not additional to, supplemental of, or contributing with, any insurance coverages or policies of A&B, any customer of A&B, any of their respective affiliates, or any other contractor, subcontractor, vendor, supplier, agent, or representative of any thereof. Seller shall bear all responsibility for Seller's work pursuant to this Order with respect to any hazardous materials generated, stored, or removed from any site.

17. Miscellaneous. The failure of A&B to insist, in any one or more instances, on the performance of any obligation required of Seller or any term or condition of this Order shall not be construed as a waiver or relinquishment of such (or any other) obligation, term or condition or any right or remedy with respect to future performance. Whenever this Order requires that notice be provided to a party, notice shall be delivered in writing to such party at the address in the Order. Notice will be deemed to have been validly given if delivered (i) by registered or by certified mail, postage prepaid to the address indicated in the Agreement within four (4) days after being sent, or (ii) by facsimile, by the time stated in a machine-generated confirmation that notice was received at the facsimile number of the intended recipient. No charge will be allowed for packaging, crating, cartage, or storage unless otherwise set forth in this Order. Goods shall be suitably packed by Seller to protect the contents to ensure that no damage results, to secure the lowest transportation costs, and to conform to the requirements of common carriers in accordance with good commercial practices and any applicable specifications. Seller shall place A&B's Order number and A&B's project reference number on the outside of each shipment hereunder and on all documents relating to such shipment. This Order shall be governed by the laws of the state/province of A&B's address (page 1) without giving effect to contrary conflicts of laws provisions/principles. Seller agrees that the state/provincial and federal courts located in the county/province (or if not, the state/province) of A&B's address (page 1) shall have exclusive jurisdiction and venue over any dispute arising out of this Agreement. A&B's rights and remedies under or pursuant to this Agreement shall be in addition to its rights and remedies at law and in equity. This Order shall be binding on and enforceable against and shall inure to the benefit of the successors and permitted assigns of the parties, except Seller may not, without the prior written consent of A&B, assign, subcontract, or transfer any of its rights, obligations or duties under this Order. If any provision of this Order is determined invalid, illegal, or unenforceable under applicable law, it shall be severed here from and such determination shall not impair or otherwise affect the validity, legality, or enforceability of the remaining provisions of this Order, which shall remain in full force and effect. Instruction, operations, and maintenance manuals (and spares and parts, if specified in this Order), including lists and certifications shall be furnished by Seller. Delivery, installation, or erection of Goods shall not be considered to be complete until approved copies of the operations and maintenance manuals are delivered to A&B. Such manuals shall include drawings of all equipment, including minor parts and sub-assemblies in such detail as will permit the disassembly and assembly of each piece of equipment for maintenance. Parts drawings shall show such fabrication and assembly details as are required to permit disassembly or assembly of the equipment. Seller shall furnish start-up and instructional service, if specified.
18. Holdbacks. Buyer may withhold from all payments otherwise due and payable to Seller an amount equal to that which is required to be withheld as a holdback pursuant to applicable law, ("Statutory Holdback"). Seller is required to submit a separate invoice for the release of Statutory Holdback.
19. QA/QC Requirements. Seller shall ensure that: A) All pipe, flanges, and pipe fitting descriptions provided include applicable NPS, schedule, material grade and ANSI ratings; B.) it provides Material Test Reports (MTR's); C.) that the flange and pipe fittings it provides have a CRN and must be registered with the jurisdictional authority; and D.) its procurement guidelines for ordering welding consumables follow the American Society of Mechanical Engineers (ASME) BPVC, section II, part C.
20. Compliance. The Buyer has implemented a standard that outlines its reasonable requirements for: (i) selecting Sellers; and (ii) ensuring Sellers comply with the Buyer's insurance, labor, trade certification, health, safety, environmental and other standards, as well as legal or regulatory requirements that are applicable to the Buyer or the Goods. The Seller shall be required, at its own cost, to comply with any such requirements that are communicated in writing by the Buyer, including the use of any processes or systems deemed necessary by the Buyer to effect compliance with the standard.

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