

General Terms and Conditions for Services, Canada

1 Definitions/ Rules of Interpretation

1.1 In the Agreement, the following capitalized terms have the meanings provided in this Article 1.1:

Adjudication means a construction dispute adjudication under Part 5 of the Prompt Payment Legislation with respect to a matter referred to in section 19 of Alberta Regulation 23/2022 under the Prompt Payment Legislation.

Adjudicator means a person who is qualified by the Nominating Authority as an adjudicator.

Affiliate means any entity, including any corporation, limited liability company, partnership, or joint venture, controlled by, under common control with, or controlling the entity in relation to which the term "Affiliate" is used, with "control" being defined as owning, directly or indirectly, fifty percent (50%) or more of the assets or the outstanding shares having voting rights, or otherwise having the right, either by contract or otherwise, to control the operation, management, or policy of an entity.

Agreement means a specific contractual agreement between Company or one of its Affiliates and Contractor or one of its Affiliates for the performance of particular Work, comprising (i) a Purchase Order, including the terms set out therein; (ii) these General Terms and Conditions; (iii) any supplemental provisions set out in an Attachment hereto, and any Purchase Order addressed in such Attachment; and (iv) any applicable terms and conditions of another existing agreement as provided in Article 19.5; as it may be amended pursuant to Article 19.4.

Applicable Laws means all national, federal, state, provincial, and local laws (including statutes, decrees, edicts, codes, orders, judgments, judicial decisions, rules, ordinances, proclamations, by-laws, regulations, and executive orders of, and the terms of any licenses, leases, rights of way, permits, or authorizations issued by, any local, municipal, national, or other duly constituted Governmental Authority) that are applicable to the Work, Worksites, and the persons in relation to whom the term is used.

Claim means any of the following, including any combination thereof: any cause of action, claim, assertion, demand, allegation, proceeding, suit, loss, liability, fine, penalty, costs, damages, judgment, award, and expenses, including court costs and attorneys' fees, and any sum paid by way of settlement and compromise.

Company means ConocoPhillips Canada Resources Corp. or such other entity identified as "Company" in the Agreement, and Company's successors and assigns.

Company Group means any or all of: (i) Company and its Affiliates; (ii) its Coventurers in relation to the Work and their Affiliates; (iii) Company's other contractors (other than members of Contractor Group), and their subcontractors of any tier, who are engaged directly or indirectly by Company to perform work or services for the project to which the Work relates or are otherwise present at a Worksite during Contractor's performance of the Work, and their Affiliates; and (iv) the respective agents of any of the entities addressed in (i) through (iii) above; all the foregoing being "members of Company Group".

Consequential Loss means any of the following: (i) loss or deferment of revenue or profit; (ii) loss of use, loss of production, or business interruption; (iii) loss of business opportunity or goodwill; and (iv) to the extent not included in the foregoing, any consequential or indirect losses; whether or not any of the foregoing were (a) a natural result of the breach or matter giving rise to such loss or damages; or (b) contemplated by the Parties at the time of execution of the Agreement as a probable result of such a breach or matter.

Contractor means the Party so described (or referred to alternatively as **Vendor**) in the Agreement.

Contractor Group means any or all of: (i) Contractor and its Affiliates; (ii) Subcontractors and their Affiliates; and (iii) the respective agents of any of the entities addressed in (i) and (ii) above; all the foregoing being "members of Contractor Group."

Coventurer means any entity having an interest in a joint venture, consortium, or other joint

association with Company (and being a party to the related joint operating agreement, unit operating agreement, joint venture agreement, production sharing agreement, or other agreement governing operations), on behalf of which the Work is being performed; and the successors and assigns of such entity.

Force Majeure means an event or occurrence or condition resulting therefrom which (i) delays or renders impossible the affected Party's performance of its obligations under the Agreement; (ii) is beyond the reasonable control of the affected Party and not due to its Legal Fault; and (iii) was not reasonably foreseeable, or if foreseeable could not have been prevented or avoided by the affected Party through the exercise of due diligence. Provided that only such events, occurrences, or conditions falling into one of the following categories are deemed Force Majeure: (i) Acts of God, (ii) compliance with any oral or written order, directive, or decree of any government, (iii) act or inaction on the part of any government, (iv) explosion, earthquake, fire, flood, or other natural physical disaster, (v) act of war or a public enemy (whether war be declared or not), (vi) riot, insurrection, rebellion, sabotage or act of terrorists, and (vii) official strikes and lock-outs at an industry-wide or national level.

Indemnify means defend, indemnify, release, and hold harmless; and cognate terms such as **Indemnified**, **Indemnifying**, **Indemnification**, **Indemnity**, **Indemnitor**, and **Indemnitee** are to be construed accordingly.

Legal Fault means negligence or other tort liability, breach of duty (statutory or otherwise), breach of warranty, breach of contract, strict liability, or any failure to act in accordance with legal or contractual requirements.

Nominating Authority means a Nominating Authority designated under the Prompt Payment Legislation.

Notice of Adjudication means a written notice of Adjudication, which complies with section 20 of the Alberta Regulation 23/2022 under the Prompt Payment Legislation and is substantially in the form as agreed upon between the Parties.

Notice of Dispute means a written notice of dispute given by Company to Contractor, which complies with section 32.2(2) of the Prompt Payment Legislation and is in the form prescribed by the Prompt Payment and Construction Lien Forms Regulation.

Party means either Company or Contractor, according to the context; and **Parties** means both of them.

Personal Injury means any injury suffered by a natural person, including death, sickness, ill health, disease, mental anguish, and mental distress.

Price means the price for the Work, as set out in the Agreement.

Prompt Payment Legislation means Alberta's *Prompt Payment and Construction Lien Act, RSA 2000, c. P-26.4*, as amended and its corresponding regulations.

Proper Invoice means an application for payment from Contractor to Company on account as provided in the Agreement, which is in compliance with the requirements of Article 6.1.

Property means, in relation to any of the members of Company Group or Contractor Group respectively or any other person, property of whatsoever nature that is owned, hired, leased, rented, or howsoever otherwise obtained by such member or other person. For the avoidance of doubt, all items provided by members of Contractor Group in relation to or for performance of the Work that are not subject to a transfer of title to Company are exclusively the Property of the respective members of Contractor Group, and for the purposes of this definition are not items hired, leased, or rented by any of the members of Company Group.

Purchase Order means a document so entitled that is issued from Company's SAP enterprise system as a constituent of an Agreement. Each Purchase Order is to set out scope, pricing, time schedule, and other details with respect to the particular Work addressed therein.

Specifications means any plans, drawings, documents, specifications, data, industry standards, or

other information relating to the Work that are attached to or referred to in the Agreement.

Subcontractor means any company engaged by Contractor or another Subcontractor of any tier to perform any part of the Work.

Wilful Misconduct means a deliberate or reckless act or omission which is committed or omitted with knowledge of or conscious indifference to any potentially harmful consequences, including injury or death to persons, damage to or loss of property, and any other type of loss.

Work means mean all elements of the activities to be performed by or on behalf of Contractor under the Agreement, including performance of services and provision of equipment on a rental basis, as applicable; together with everything else that may be reasonably inferred from the Agreement as needing to be done by or on behalf of Contractor in order for Contractor to fulfill its duties, obligations, and responsibilities under the Agreement.

Worksite means any location at which Work is performed.

1.2 The following rules of construction and interpretation apply to the Agreement:

- (i) References to Articles are to the articles of this document.
- (ii) References to periods of time ("day," "week," "month," and "year") are to periods of time under the Gregorian calendar.
- (iii) Words used in their singular form include their plural form, and vice versa; and words imputing a particular gender include any gender.
- (iv) The terms "including," "include," "such as," "in particular," and the like are deemed to be completed by the expression "but not limited to," and are to be construed without limitation.
- (v) The term "person" includes any natural or legal person.
- (vi) The term "company" includes any incorporated limited liability company, joint stock company, firm, corporation, individual proprietorship, partnership, or other business concern.
- (vii) The term "personnel" in relation to an entity includes such entity's permanent, part-time, special, seconded, contract, or temporary staff, whether its employees or otherwise.
- (viii) References to Applicable Laws are to be construed as (i) referring to them as amended and in force from time to time; and (ii) if applicable, including all Applicable Laws that re-enact, consolidate, or replace them (with or without modification).

2 Basis of the Agreement

- 2.1** Contractor shall perform the Work in accordance with the Agreement. Nothing in the Agreement is to be construed as (i) establishing an exclusive arrangement between the Parties; or (ii) a guarantee or representation to Contractor that Company will order or obtain any minimum amount of Work.
- 2.2** Company may enter into the Agreement on behalf of itself and Coventurers. Contractor shall look only to Company for the due performance of the Agreement. Contractor shall not commence any proceedings against any Coventurer. Company is entitled to enforce the Agreement on behalf of itself and Coventurers.

3 General Obligations of Contractor

- 3.1** Contractor shall perform its obligations under the Agreement to the highest standards of skill, care, expertise, and knowledge as pertain to first class reputable contractors experienced in performance of work of a similar nature. The quantity, quality, and description of the Work is to be as specified in the Agreement, including any Specifications. The Work is to be performed to the satisfaction of Company, who may reject any Work not conforming to the Agreement.
- 3.2** Contractor shall use sound engineering and technical principles that are generally accepted in the industry.
- 3.3** Contractor shall provide all materials, equipment, supplies, suitably skilled and experienced

personnel, and other resources required for the safe, efficient, and timely performance of the Work. Contractor is responsible for training and for verifying that the personnel of members of Contractor Group are properly prepared (including being properly outfitted with applicable personal protective equipment) to perform the Work.

- 3.4 Personnel of members of Contractor Group are to be properly trained in accordance with Applicable Laws, Company's HSE policy, and industry guidelines and norms. Contractor shall provide all documentation related to such training requirements to Company upon request.
- 3.5 Contractor shall use or furnish materials, equipment, and supplies that are fit and new (unless otherwise agreed in writing).
- 3.6 Contractor shall perform and complete the Work within the specified time, or within a reasonable time if no time is specified. It is an essential condition of the Agreement that in performing its obligations Contractor strictly complies with all such time requirements set out or referred to in the Agreement. Contractor shall notify Company immediately of any actual or anticipated delay, specifying the cause of and probable duration of the delay, and the measures Contractor will implement in order to avoid or mitigate the delay. If Contractor cannot substantiate to Company's reasonable satisfaction that the measures proposed by Contractor will achieve the required schedule recovery, Company will be entitled, without prejudice to any of its other rights, to require Contractor to take such further measures stipulated by Company to assure such schedule recovery, or to minimize delay, which may include assigning additional personnel, equipment, and other resources, and working overtime and extra shifts. Contractor shall undertake all schedule recovery measures, whether proposed by Contractor or stipulated by Company, at its own expense.
- 3.7 Contractor shall comply (and shall ensure that its personnel and the other members of Contractor Group and their respective personnel comply) with (i) Applicable Laws; policies, and guidelines set forth by relevant authorities; (ii) all applicable policies, procedures, and guidelines set forth by Company, as amended from time to time, including those relating to matters of health, safety, and the environment (including the document entitled "*Exhibit – Contractor HSE Requirements*", accessible from Company's website at <https://www.conocophillips.ca/vendor-relations/exhibit-contractor-hse-requirements/> and also available from Company on request, and support of Company's zero incident HSE culture) and substance abuse; and (iii) the principles and standards set forth in the ConocoPhillips *Code of Business Ethics and Conduct* (available from Company upon request or from Company's website at <http://static.conocophillips.com/files/resources/codeofethics.htm#1>). Contractor, by its acceptance of the Agreement and commencement of the Work, confirms it has been given a copy of or access to Company's policies and guidelines which are applicable to the performance of the Agreement and the Work.
- 3.8 Contractor is liable for any and all Claims for taxes, duties, and imposts of any kind, and for any related fines, penalties, or interest, assessed or levied against Contractor Group or against Company Group for or on account of any payment made to or earned by Contractor Group in respect of the Work, and shall Indemnify the members of Company Group therefrom.
- 3.9 Each Purchase Order for Work performed in the Province of British Columbia is considered to be a 'real property contract' under the *British Columbia Provincial Sales Tax Act* (the "**BC PST Act**"). Accordingly, and provided that Company issues a *Certificate of Exemption Contractor* Form FIN 491 ("**Exemption Certificate**"), Contractor is responsible for meeting all the requirements, in compliance with Applicable Laws, for the exemption under the *BC PST Act* when utilizing such Exemption Certificate. If Contractor completes and issues the Exemption Certificate but does not qualify for the exemption, Contractor is responsible for paying all applicable Provincial Sales Tax and shall not seek reimbursement from Company
- 3.10 Contractor shall review all information that Company supplies, including any Specifications, and be responsible for as soon as possible identifying, notifying Company of, and obtaining Company's clarification of any discrepancies, errors, or omissions in such information. Contractor is liable for all costs arising from its failure to timely obtain such clarification.

4 **Inspection and Testing of Work**

- 4.1** Company may inspect or test Work at all reasonable times during manufacture, processing, storage, or otherwise, and Contractor shall provide Company with all facilities and assistance reasonably required for such inspection and testing. Notwithstanding any such inspection and testing, Contractor shall remain fully responsible for the satisfactory performance of the Work and such inspection or testing does not diminish or affect Company's rights pursuant to the Agreement. Company will inform Contractor if Company determines that any Work does not conform to the Agreement.
- 4.2** If Company is not satisfied that the Work will comply in all respects with the Agreement, Contractor shall promptly and diligently take all steps as are necessary to ensure compliance, without prejudice to any other rights of Company.
- 4.3** Failure of Company to inspect, test, or bring to the attention of Contractor any defect or non-conformance in the Work does not relieve Contractor of any of its obligations under the Agreement.

5 Price

- 5.1** The Price is as stated in the Agreement and is exclusive, unless stated otherwise, of any applicable Goods and Services Tax (GST) (if GST is not recoverable, GST will be payable by Company in addition to the Price, subject to receipt of a proper GST invoice). Unless the Parties specifically agree otherwise in writing, the Price is inclusive of (i) any charges for packaging, packing, shipping, carriage, insurance, and delivery to the delivery address of Company stated in the Agreement; and (ii) any taxes, duties, imposts, or levies other than GST. The Price constitutes the full and final remuneration due to Contractor for the Work, and includes all Contractor's costs, expenses, overheads, and profits related to performance of the Work and compliance with the Agreement.
- 5.2** Unless the Parties specifically agree otherwise in writing, and subject to Articles 13 and 19.5, the Price is fixed and firm throughout the term of the Agreement. There is to be no increase in the Price (whether on account of increased material, labor, or transport costs, fluctuation in rates of exchange, or otherwise) or other variation.

6 Terms of Payment

- 6.1** Each Proper Invoice shall comply with the requirements of the Prompt Payment Legislation relating to "proper invoice" and shall be submitted in such form, and accompanied by such supporting certification and documentation, as Company may require for verification that amounts invoiced are in conformance with the Agreement. Each Proper Invoice shall, to the extent applicable:

6.1.1 include the following information:

- (i) Contractor's name, telephone number and business address;
- (ii) the date and number of the application for payment and the period during which the Work was done or materials were furnished;
- (iii) the number of the Agreement;
- (iv) a description of the Work performed during the payment period and a specific itemization of the Work with quantities (and supporting documents to substantiate such quantities) where appropriate for materials furnished;
- (v) the amount requested for payment and the corresponding payment terms broken down for the Work done or materials furnished;
- (vi) remittance payment information including the name, title and contact information of the person to whom the payment is to be sent;
- (vii) a statement indicating that the invoice provided is intended to constitute a "proper invoice" under the Prompt Payment Legislation; and
- (viii) the value of the Work and changes in the Work performed to date;

6.1.2 include a detailed description of expenditures under any cash allowances, if any;

6.1.3 for products delivered to the Worksite but not yet incorporated into the Work, if advance

payment for such products have been approved by Company, list such products (and the advance payment calculations in respect thereof) as a separate line item and be supported by invoices and such other evidence as Company may reasonably request to establish the value and delivery of such products;

- 6.1.4 include Contractor's registration number for taxes and list the total amount of taxes separate from the total amount payable during the payment period;
 - 6.1.5 if Contractor procures any items at Company's request on a reimbursable basis, copies of the third-party invoices covering such items as well as an accounting of any discounts, rebates, and allowances related thereto;
 - 6.1.6 include applicable cash discount terms and any applicable discount shall be computed from the date the invoice is received in Company's office; and
 - 6.1.7 include such other information and documents: (1) identified elsewhere in the Agreement; or (2) as required under the Prompt Payment Legislation.
- 6.2** Proper Invoices shall be submitted by Contractor to Company for amounts other than lien holdback, at least every thirty-one (31) days as the Work progresses. If Contractor provides a Proper Invoice more than ninety (90) days, or such longer period as mandatory Applicable Laws may require, after the time of performance of the particular Work to which such invoice relates, Company is not liable, to the extent permitted by Applicable Laws, to pay Contractor or any other member of Contractor Group for the performance of the Work covered by such Proper Invoice. Contractor hereby fully releases and discharges Company from any liability related to such late-presented invoices. Provided, however, that this provision does not apply to Proper Invoices that Contractor presents after such ninety (90) day period, or such longer period as mandatory Applicable Laws may require, in regard to final settlement of disputes in relation to amounts originally invoiced before the end of such ninety (90) day period.
- 6.3** If Company disputes all or any portion of the amount applied for in such Proper Invoice, Company shall promptly, but no later than fourteen (14) days after the receipt of the Proper Invoice from Contractor, provide Contractor a Notice of Dispute specifying the amount of Proper Invoice that is not being paid and detailing all of the reasons for such non-payment. All Notice of Dispute shall be delivered by Company in the manner of service specified in the Agreement, at Contractor's regular place of business specified in the Agreement.
- 6.4** Company shall, no later than twenty-eight (28) days after the receipt of the Proper Invoice, make payment to Contractor of the amount set out in the Proper Invoice less the amount disputed by Company that is set out in the Notice of Dispute issued pursuant to Article 6.3. Company shall retain from such payment the lien holdback and any other holdbacks provided for under the Agreement.
- 6.5** For clarity, if Contractor fails to submit a Proper Invoice to Company which is in compliance with the requirements of Article 6.1, Company shall not be required to make payment to Contractor within the twenty-eight (28) day period set out in Article 6.4. Such twenty-eight (28) day period shall not commence until such time as Company has received from Contractor a Proper Invoice in compliance with the requirements of Article 6.1.
- 6.6** Payment will be in the currency identified in the Agreement.
- 6.7** Company will also have the right to deduct from or to set off against payments otherwise due to Contractor under the Agreement any sums due and owing to Company from Contractor for any reason, under the Agreement or otherwise.
- 6.8** Any payment made by Company does not constitute a waiver by Company of any breach by Contractor of any of Contractor's obligations under the Agreement nor prejudice the rights of Company to question or dispute any portion of any invoice. Any payment withheld by Company will be without prejudice to any other rights or remedies of Company under contract or pursuant to Applicable Laws.

7 Warranties

- 7.1** Contractor undertakes and warrants and guarantees to Company that:
- 7.1.1 it shall perform its obligations under the Agreement to the highest standards of skill, care, expertise, and knowledge as pertain to first-class reputable contractors experienced in performance of work of a similar nature;
 - 7.1.2 it shall use sound engineering and technical principles that are generally accepted in the industry;
 - 7.1.3 all Work will comply in all respects with the Agreement, including the Specifications, and Applicable Laws;
 - 7.1.4 it shall use or furnish materials, equipment, and supplies that are fit and new (unless expressly otherwise agreed in writing); and
 - 7.1.5 all Work will be of satisfactory quality, fit for its intended purpose, and free from defect in engineering, design, material, and workmanship.
- 7.2** Without prejudice to any other remedy of Company under contract or pursuant to Applicable Laws, if it is discovered that any Work, after satisfactory completion thereof and its acceptance by Company, is defective in whole or in part or otherwise not supplied in accordance with the Agreement, including with the undertakings, warranties, and guarantees set out in Article 7.1, Company will have the right, at its option, (i) to require Contractor to replace, repair, or re-perform the Work promptly and diligently at no cost to Company; or (ii) to reduce the Price accordingly; or (iii) to treat the Agreement as repudiated by Contractor's breach thereof and to require the repayment of any part of the Price which has been paid; or (iv) to replace, repair, or re-perform the Work itself or to engage others to do so, in either case at Contractor's cost and risk. Company will be obliged to notify Contractor of any defect in the Work or non-conformance of the Work to the Agreement within thirty-six (36) months of satisfactory completion of the Work and its acceptance by Company. The same time limit is to apply in respect of any replacement, repair, or re-performance, calculated from the date of Company's acceptance of satisfactory completion thereof.
- 7.3** Contractor shall Indemnify the members of Company Group from and against any and all Claims arising (i) as a result of or in connection with breach of any warranty given by Contractor under this Article 7 or elsewhere in the Agreement; or (ii) from failure of any of the members of Contractor Group to comply with any Applicable Laws.

8 Risk Structure

- 8.1** Contractor shall Indemnify the members of Company Group from and against any and all Claims with respect to (i) Personal Injury of any of the officers, directors, or personnel of any of the members of Contractor Group; (ii) the loss or destruction of or damage to any Property of any of the members of Contractor Group or of their respective officers, directors, or personnel; (iii) the loss or destruction of or damage to any Property of Company or Company's Coventurers or Affiliates arising out of or resulting from Legal Fault of any of the members of Contractor Group or their respective officers, directors, or personnel. Provided that (a) Contractor's maximum liability for such loss, destruction, or damage pursuant to (iii) above is not to exceed One Million United States Dollars (US\$1,000,000) per occurrence, and subject to Contractor fulfilling its Indemnification obligation in respect thereof, Company shall Indemnify the members of Contractor Group from and against Claims in respect of such loss, destruction, or damage to the extent they exceed One Million United States Dollars (US\$1,000,000) per occurrence; and (b) this Article 8.1 does not limit any liability of Contractor pursuant to Articles 7.2 and 7.3.
- 8.2** Company shall Indemnify the members of Contractor Group from and against any and all Claims with respect to (i) Personal Injury of any of the officers, directors, or personnel of any of the members of Company Group; and (ii) the loss or destruction of or damage to any Property of any of the members of Company Group, except as provided in Article 8.1(iii).
- 8.3** Articles 8.1 and 8.2 apply to any Personal Injury, loss, destruction, or damage which arises out of or in connection with the performance of the Agreement, without regard to the cause thereof, and irrespective of (i) whether caused by breach of duty (statutory or otherwise), or the negligence of the

Indemnitee, whether a member of Contractor Group or of Company Group or any of such member's officers, directors, or personnel, and whether such negligence be sole, joint or concurrent, active or passive; and (ii) whether the basis for any Claim is in tort, under contract, or otherwise pursuant to Applicable Laws or any other theory of legal liability.

- 8.4** Except as provided in Article 8.5, under no circumstances whatsoever whether by reason of any negligence, breach of duty (statutory or otherwise), or strict liability: (i) are any of the members of Company Group to be liable to any of the members of Contractor Group for Consequential Loss suffered by any of the members of Contractor Group resulting from or arising out of or occurring in connection with the Agreement or performance of the Work, and Contractor shall Indemnify the members of Company Group from any and all Claims in respect of such Consequential Loss; or (ii) are any of the members of Contractor Group to be liable to any of the members of Company Group for Consequential Loss suffered by any of the members of Company Group resulting from or arising out of or occurring in connection with the Agreement or performance of the Work, and Company shall Indemnify the members of Contractor Group from any and all Claims in respect of such Consequential Loss.
- 8.5** To the extent any Claim is attributable to the Wilful Misconduct of a member of Company Group or a member of Contractor Group or any of such member's officers, directors, or personnel, the Indemnities, releases, and exclusions or limitations of liability contained in the Agreement do not apply, with respect to such Claim, for the benefit of such member or any of its officers, directors, or personnel.
- 8.6** The Indemnifications by Company in favor of the members of Contractor Group in the Agreement include Indemnification against Claims made against any of the officers, directors, or personnel of the members of Contractor Group when such persons are acting within the course and scope of their employment or engagement with and on behalf of the respective members of Contractor Group. The Indemnifications by Contractor in favor of the members of Company Group in the Agreement include Indemnification against Claims made against any of the officers, directors, or personnel of the members of Company Group when such persons are acting within the course and scope of their employment or engagement with and on behalf of the respective members of Company Group.

9 Insurance

- 9.1** During the term of the Agreement Contractor shall maintain at its expense insurance of the types and with limits of liability not less than those set forth as follows from sound and reputable insurers: (i) insurance that Contractor is obliged by Applicable Laws to carry that covers all of Contractor's employees performing Work under the Agreement, including coverage under applicable maritime law; (ii) Employer's Liability insurance, including coverage for marine operations (if applicable), with a limit not less than Two Million Canadian Dollars (CAD 2,000,000) any one occurrence or the statutory requirement, whichever amount is greater; (iii) Commercial General Liability insurance, including contractual liability coverage and sudden and accidental pollution liability coverage, with a limit not less than Five Million Canadian Dollars (CAD 5,000,000) any one occurrence; (iv) Automobile Liability insurance with a combined bodily injury and property damage limit not less than Two Million Canadian Dollars (CAD 2,000,000) any one occurrence or the statutory requirement, whichever amount is greater, for all vehicles (whether owned, leased, or howsoever otherwise obtained) used in performance of Work; and (v) such other insurance in the types and amounts (a) required by Applicable Laws; and (b) to cover the risks retained by Contractor that are associated with its performance of Work pursuant to the Agreement.
- 9.2** Contractor's insurance is to be written or endorsed such that, to the extent of any risks and liabilities assumed, and Indemnities granted, by Contractor under the Agreement, when legally permitted: (i) Company Group are to be shown as additional insureds; and (ii) the insurers have no right of recovery against any of the members of Company Group or their respective officers, directors, or personnel. Contractor shall provide evidence of such insurance coverage when requested by Company. All insurance required by Article 9.1 is to be primary to any insurance coverage available to Company or its Affiliates or Coventurers. The above-stated minimum requirements are not intended to indicate the amounts or types of insurance that Contractor needs or may ultimately need and do not alter or affect Contractor's liability under the Agreement. Contractor shall ensure that each member of

Contractor Group performing Work maintains all insurance required under Applicable Laws, together with other insurance of types and amounts that Contractor may deem necessary.

10 Confidentiality and Developments

- 10.1** Contractor warrants and guarantees that the performance of any Work will not infringe the patent, copyright, design, trademark, or other intellectual property rights of any other person. Contractor shall Indemnify the members of Company Group from and against any Claim with respect to any such actual or alleged infringement, except to the extent that any such Claim arises from Contractor's compliance with Company's express written instructions.
- 10.2** Copyright, design rights, or any other intellectual property rights arising out of, or developed by Contractor in connection with the Work, or related to the Specifications or data or other information that it receives from any of the members of Company Group, vest exclusively in Company.
- 10.3** Contractor shall hold in strict confidence and not disclose to any third party (and shall ensure that the other members of Contractor Group hold in strict confidence and do not disclose to any third party) any Specifications or data or other information that it receives from any of the members of Company Group or becomes aware of belonging to any of the members of Company Group, or relating to Company Group or the Agreement, except to the extent that such Specifications or data become, or other information becomes, public knowledge through no fault of Contractor.
- 10.4** Contractor shall not reproduce or use (and shall ensure that other members of Contractor Group do not reproduce or use) the Specifications or data or other information that it receives from any of the members of Company Group or becomes aware of belonging to any of the members of Company Group, or relating to the Company Group or the Agreement, for any purpose unrelated to the Agreement without the express written consent of Company. Contractor shall forthwith deliver to Company, upon request at any time and without charge, any and all such Specifications or data or information then in its or any other member of Contractor Group's possession.
- 10.5** Contractor shall not issue any publicity or make any public announcement in relation to the Agreement without Company's prior written approval, which Company is entitled to withhold in its absolute discretion.

11 Termination

- 11.1** Company may terminate the entire Agreement, or any part of the Work, by giving written notice to Contractor, in which event the sole liability of Company will be to pay to Contractor the part of the Price for any Work performed in accordance with the Agreement, less the net saving of cost to Contractor arising from the termination.
- 11.2** Company is entitled to terminate the entire Agreement, or any part of the Work, without liability to Contractor, by giving written notice to Contractor if Contractor at any time: (i) fails or refuses to supply competent supervision or sufficient, competent and properly skilled personnel or proper materials; or (ii) does not perform the Work properly or in a timely manner; or (iii) goes into liquidation or receivership; or (iv) otherwise fails to carry out its obligations in accordance with the Agreement.
- 11.3** In the event of termination under Article 11.2, Company will not be liable to pay Contractor any further monies in respect of the Agreement and Contractor shall repay to Company any part of the Price paid for Work not performed and accepted at the date of termination. Furthermore, Contractor shall be liable for and shall Indemnify Company for any costs, expenses, or damages incurred by Company as a result of termination, including the additional cost of Company performing the Work itself, or having the Work performed by others, if applicable.
- 11.4** The expiration or termination of the Agreement does not relieve the Parties of any obligations that, by their nature, survive such expiration or termination, including with regard to any Claims arising out of the Work, warranties, Indemnities, insurance requirements, audit rights, governing law, dispute resolution procedures, confidential information, taxes, and intellectual property.

12 Audit Rights

Company and its authorized representatives are entitled, at any time during the term of the Agreement and

for four (4) years thereafter, on reasonable prior notice, to have access to and to audit all relevant books and records of the members of Contractor Group for the purpose of confirming compliance with the Agreement.

13 Variations

Company is entitled to instruct Contractor to make changes to the Work. Upon receipt of Company's written notice setting out any such instructions, Contractor shall immediately proceed to implement them. The remuneration payable under the Agreement is to be appropriately increased or decreased, based on the net effect of the instructed changes, using the same prices, rates, norms, or other pricing principles as set out in the Agreement, or best alternative and comparable references, as applicable.

14 Force Majeure

In the event either Party is prevented from performing any of its obligations by Force Majeure, that Party's obligations will be suspended to the extent they are prevented or impacted by Force Majeure during the continuation thereof and during such time after cessation thereof as is necessary for such Party, using all reasonable endeavors, to recommence performance of the prevented or impacted obligations. Each Party is to bear its own costs incurred in connection with the Force Majeure occurrence and no remuneration will be payable by Company for the period of Force Majeure. The Party prevented from performing by Force Majeure shall notify the other Party as soon as possible of its inability to meet its obligations, specifying the cause of the Force Majeure and estimated extent to which the event or condition will impact performance. If the Party claiming Force Majeure fails to give such notice within seventy-two (72) hours of the occurrence of the event or condition, that Party may not claim Force Majeure as a defense under the Agreement. The Party claiming a Force Majeure event or condition shall act diligently to remove or remedy such event or condition; and shall notify the other Party when such impact ceases. When performance of the Agreement is halted by reason of Force Majeure, Company may terminate the Agreement immediately upon written notice to Contractor, and Contractor will only be entitled to the portion of the Price earned up to the time of such notice. For the avoidance of doubt, delay attributable to any of the members of Contractor Group in availability of resources required for performance of the Work, or caused by inefficiency on the part of any of the members of Contractor Group, does not constitute an event of Force Majeure.

15 Assignment and Subcontracting

Contractor shall not assign, or purport to assign or to transfer, to any other person any of its rights or to subcontract any of its obligations under the Agreement without the prior written consent of Company. Such written consent does not relieve Contractor from any of its responsibilities or obligations to Company under the Agreement. Notwithstanding the foregoing, reasonable utilization by Contractor of hired labor and purchases of minor quantities of materials and components are not to be considered subcontracts that require Company's consent.

16 Export Control Compliance

Contractor shall comply (and shall ensure that its officers, directors, and personnel, and the other members of Contractor Group and their respective officers, directors, and personnel comply) with Applicable Laws, including those of Canada and the United States of America, relating to control of exports and re-exports, and to sanctions, including those applicable to re-export or the transfer of controlled technology. If a license or other authorization is required by Applicable Laws for any product, service, technology, or software used in performance of the Work or included in the deliverables to be provided to Company, Contractor shall apply for the applicable licenses or authorizations and make copies available to Company. Contractor shall timely provide to Company the export compliance classification number (ECCN) of any applicable goods, services, technology, or software provided under the Agreement. Contractor shall Indemnify the members of Company Group from and against any and all Claims arising out of or resulting from Contractor's breach of this Article.

17 Governing Law and Dispute Resolution

17.1 The interpretation and performance of the Agreement, and any dispute or Claim in connection with (i) the Agreement or (ii) its subject matter or formation (including non-contractual disputes or Claims), are governed by and to be construed in accordance with the laws of the Province of Alberta, except for any rule or law of the Province of Alberta that would make the law of any other jurisdiction

applicable.

- 17.2** All actions and proceedings arising out of or related, in whole or in part, to the Agreement are to be heard and determined in the courts of the Province of Alberta, provided that such courts have subject matter jurisdiction. The Parties hereby irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta in the judicial district of Calgary in respect of all matters relating hereto and irrevocably waive, to the fullest extent permitted by Applicable Laws, any assertion of inconvenient or inappropriate forum or other objection respecting conflict of laws.

17.3 Adjudication

- 17.3.1 At any time prior to the completion of the Agreement either Party may, by providing a Notice of Adjudication to the other Party, refer a dispute to Adjudication by an Adjudicator, provided such dispute is in respect of the subject matter prescribed in section 19 of the Alberta Regulation 23/2022 under the Prompt Payment Legislation.
- 17.3.2 All Adjudications shall proceed in accordance with the provisions of the Prompt Payment Legislation and the additional procedures set out in this Article 22.5, subject to the exercise of the powers provided to the Adjudicator under the Prompt Payment Legislation.
- 17.3.3 The seat of the Adjudication shall be in Calgary, Alberta.
- 17.3.4 The Minister of Service Alberta will be the interim Nominating Authority if either Party wishes to refer a dispute under to this Agreement or the Purchase Order to Adjudication.
- 17.3.5 The specific Adjudicator to be agreed to by the Parties pursuant to section 22 of Alberta Regulation 23/2022 under the Prompt Payment Legislation shall:
- (i) have relevant qualifications and experience with respect to the Work or projects of a similar nature and magnitude, to the Work;
 - (ii) be independent of and at arm's length to Contractor, Company and any other person having an interest in the Work; and
 - (iii) have no conflict of interest relating to the Parties or the dispute.
- 17.3.6 Contractor and Company hereby acknowledge and agree that:
- (i) if the documents delivered pursuant to section 23(b) of the Alberta Regulation 23/2022 under the Prompt Payment Legislation:
 - (a) exceed 20 documents or 200 single sided pages in the aggregate; or
 - (b) seek monetary relief in excess of \$250,000 exclusive of Taxes,
 the responding Party may request from the Adjudicator additional time to respond and the Parties may, if requested by the Adjudicator, extend the time for the Adjudicator to make its determination; and
 - (ii) if the documents delivered pursuant to section 23(b) of the Alberta Regulation 23/2022 under the Prompt Payment Legislation are delivered at any time between the period of December 24th to January 2nd they shall, immediately after the receipt of such documents, deliver to the Adjudicator a written agreement requesting that the Adjudicator exclude the period between the date of delivery of such documents and January 2nd from the counting of days for the purposes of the Adjudication and, as necessary to give effect to such exclusion, extend the deadline for the Party that received the Notice of Adjudication to respond and the deadline for the Adjudicator to make its determination.

- 17.3.7 The Adjudicator shall be entitled to grant any remedy or relief which is consistent with the intentions of the Parties expressed under the Agreement but shall not be entitled to exercise the power of prerogative writs/injunctive relief.
- 17.3.8 Any Adjudicator determinations shall not be relied upon by the Parties or any third parties in any other Adjudications arising in respect of any work, including the Work that was the subject of the Adjudication.
- 17.3.9 If a dispute is referred to Adjudication and such dispute is already the subject of another form of dispute resolution process (except court proceeding) agreed by the Parties pursuant to the Agreement, but which has not been finally determined, the Parties shall suspend any mediation or arbitration, as applicable.
- 17.3.10 Subject to the Prompt Payment Legislation, a Party shall not refer a dispute to Adjudication if a Party has commenced an action in court with respect to such dispute. If a Party commences an action in court with respect to a dispute on the same date that the dispute is referred to Adjudication, the action shall proceed.
- 17.3.11 Unless the Parties agree, the Adjudicator shall not be appointed mediator or arbitrator in any subsequent dispute resolution proceedings in respect of the dispute.
- 17.3.12 The Parties shall keep confidential all Adjudication materials including those created for the purpose of the Adjudication and all documents produced by the other Party in the Adjudication not otherwise in the public domain. The Parties will not disclose or use any information or materials received or prepared for the Adjudication for any purpose other than in connection with the Adjudication, except and to the extent that disclosure may be required: (a) of a Party pursuant to Applicable Laws or any Governmental Authority; or (b) by the Parties' legal, financial and other advisors in connection with the Work.
- 17.3.13 Subject to the Prompt Payment Legislation, any Adjudication between the Parties may not be consolidated with other Adjudications involving other Parties without the consent of both Parties.

18 Liens

- 18.1 All payments to Contractor under the Agreement are first to be used by Contractor to satisfy amounts directly related to performance of the Work that are due to persons participating in such performance. Contractor shall keep the Work and all property of the members of Company Group free of all liens or other encumbrances in favor of any of the members of Contractor Group or any other person acting through, under, or on behalf of any such member of Contractor Group. If such a lien or encumbrance is filed on all or any portion of the Work or any property of any of the members of Company Group, Contractor shall remove and discharge, by payment, bond, or otherwise, such lien or encumbrance within seven (7) days of the filing of such lien or encumbrance.
- 18.2 If Contractor fails to remove and discharge any such lien or encumbrance within such seven (7) day period, then Company, on behalf of itself or any other affected member of Company Group may, in its sole discretion and in addition to any other rights that it has under the Agreement, at law, or in equity, remove and discharge such lien or encumbrance using whatever means that Company, in its sole discretion, deems appropriate, including the payment of settlement amounts that it determines, in its sole discretion, as being necessary to discharge such lien or encumbrance. In such circumstance, Contractor shall be liable for all costs incurred by Company or any affected member of Company Group with respect to such removal and discharge.
- 18.3 Contractor shall settle all Claims by Company or any affected member of Company Group for such costs no later than thirty (30) days after receipt of an invoice in respect thereof from Company or the affected member of Company Group. Alternatively, Company may deduct the amount of such Claims from any amounts otherwise due from Company to Contractor. **CONTRACTOR SHALL INDEMNIFY EACH OF THE MEMBERS OF COMPANY GROUP FROM AND AGAINST ANY SUCH LIENS OR ENCUMBRANCES ARISING**

OUT OF OR RESULTING FROM OR RELATED TO THE PERFORMANCE OF THE WORK, AND ALL CLAIMS IN RESPECT THEREOF.

19 Miscellaneous

- 19.1** Failure by Company to exercise, or delay by Company in the exercise of, any rights or remedies under the Agreement or pursuant to Applicable Laws does not release Contractor from any warranties or obligations contained or referred to in the Agreement or pursuant to Applicable Laws. Any waiver by either Party of a breach of any requirement of the Agreement is not to be considered as a waiver of any subsequent breach of the same, or any other, requirement of the Agreement.
- 19.2** The Agreement constitutes the entire agreement between the Parties with regard to the Work, and supersedes all prior negotiations, representations, or agreements, either written or oral, relating to the Agreement or the Work. In particular, any terms or conditions that Contractor may attach or refer to in any written material (including on any invoice or packing note), or any course of dealing between Contractor and Company, are to be of no effect.
- 19.3** Captions and headings used in the Agreement are inserted solely for convenience and are not to be taken into consideration in interpretation of the Agreement.
- 19.4** Any purported amendment of the terms, requirements, or obligations of the Agreement will be void and of no force unless it (i) is set out in writing; (ii) is signed by duly authorized representatives of Company and Contractor; (iii) expressly identifies the specific Article or other provision to be amended; and (iv) expressly indicates agreement of Company and Contractor to amend such specific Article.
- 19.5** If the Agreement is issued pursuant to another existing agreement between Company and Contractor that is referred to therein, the terms and conditions of the referenced agreement are to apply to the performance of the Work and to take priority in the event of any conflict with these General Terms and Conditions.
- 19.6** Contractor shall perform all Work as an independent contractor, but always in compliance with the Agreement. None of the members of Contractor Group nor any of their respective personnel is to be considered an employee or agent of Company, and nothing in the Agreement is to be construed to create between Company and Contractor the relationship of partnership; joint venture; fiduciary and beneficiary; or principal and agent.
- 19.7** To the extent practicable in performance of the Work, Contractor shall implement Company's Canadian Stakeholder Engagement Policy, available on Company's website or from Company on request.

ATTACHMENT – SUPPLEMENTAL PROVISIONS FOR RENTAL EQUIPMENT

When Work includes the provision by Contractor of Rental Equipment (as defined in Section 1 below), the following provisions will supplement, or apply instead of, those of the *General Terms and Conditions for Services, Canada* to which this document is attached (all references to “Articles” in this document being to those of the *General Terms and Conditions for Services, Canada*):

1. The following definitions apply in addition to those in Article 1:

Downhole Rental Equipment means Rental Equipment that is to be run in the wellbore of any Company well.

Rental Equipment means the particular items described in the Agreement that Contractor is to provide to Company on a rental basis, generally for use by Company and Company’s other contractors for their own purposes, or by Contractor independently of other activities. The term does not apply to equipment that is provided and used by members of Contractor Group among other resources necessary for the performance of Work for Company, notwithstanding that time-based rates may apply to charges for such equipment.

Site means any location owned (solely or jointly), operated, managed, or controlled by Company where Company wishes Rental Equipment to be positioned.

2. Whenever Company wishes Contractor to provide particular Rental Equipment, Company will issue to Contractor a Purchase Order generated from Company’s SAP system which sets out relevant details, such as:
 - a. description of the Rental Equipment that Contractor is to provide, and whether Contractor is to provide such Rental Equipment with or without Contractor personnel to operate it;
 - b. identification of the locations at which the Rental Equipment is to be (i) used; (ii) delivered to Company, and (iii) re-delivered by Company to Contractor (for (ii) and (iii) being either Contractor’s location if Company is to be responsible for collection of and redelivery of Rental Equipment; or a particular Company Worksite to and from which Contractor is to deliver and collect the Rental Equipment);
 - c. charges, if any, for mobilization and demobilization of the Rental Equipment, if Contractor is to deliver the Rental Equipment to and collect it from a Company Worksite;
 - d. the anticipated period for which Company expects Contractor to provide the Rental Equipment;
 - e. the agreed rental rates for the provision of each item of Rental Equipment (with, if applicable, (i) separate operating and standby rates; and (ii) rates for such Rental Equipment with and without Contractor personnel to operate it);
 - f. the respective responsibilities of Contractor and Company for such matters as:
 - i. delivery of the Rental Equipment to the applicable Company Worksite and re-delivery of the Rental Equipment to Contractor from such Company Worksite;
 - ii. provision of fuels, lubricants, and other consumable items necessary for the operation of the Rental Equipment;
 - iii. periodic routine servicing and maintenance of the Rental Equipment and repairing thereof, if applicable;
 - iv. each and every other matter that might entail extra charges from Contractor to Company in addition to the rental rates; and
 - v. designation of the Contractor representative and Company representative for the Purchase Order, and their respective contact details (such as mail address, email address, office telephone number, and mobile telephone number).
3. Contractor is responsible for obtaining and maintaining all permits, licenses, certifications, and any other similar authorizations required by any governmental authority in respect of the existence and

customary operation of Rental Equipment. Company is responsible for obtaining and maintaining all such permits, licenses, and other similar authorizations required for the presence and operation of Rental Equipment at Company Worksites.

4. Before delivery of Rental Equipment, Contractor shall diligently inspect and test it for compliance with the applicable Purchase Order, and conformance to all applicable specifications. Company representatives are entitled to witness such testing. No Rental Equipment is to be dispatched without such inspection or testing. Contractor shall supply Company with copies of Contractor's inspection and test certificates, certified by Contractor to be true copies. Unless otherwise specified in the applicable Purchase Order, all inspections and testing is to be at Contractor's sole cost and risk. Should the applicable Purchase Order stipulate specific payments for particular inspections or tests, Contractor will not be paid for any such inspection or test when the Rental Equipment has failed to achieve or maintain the required standard.
5. Contractor shall ensure that all Rental Equipment is provided with the manufacturer's original safety features and devices not modified in any way, and fully functional. Contractor shall deliver Rental Equipment with all appropriate and necessary insignia, warning labels, identification markings, and maintenance and operating instructions.
6. If requested by Company, Contractor shall provide at no extra charge to Company (i) guidance and assistance in accomplishing the initial start-up of Rental Equipment, and its subsequent operation; and (ii) guidance and assistance in accomplishing the operation and maintenance of Rental Equipment.
7. When Rental Equipment is provided without Contractor personnel to operate it, care, custody and control of Rental Equipment will pass to Company upon the earliest of: (i) delivery of the Rental Equipment by Contractor to Company for transport by Company; (ii) delivery of the Rental Equipment by Contractor to a carrier selected by Company, in Company's sole discretion; or (iii) delivery of the Rental Equipment by Contractor to the Company Worksite specified by Company. When Contractor provides Rental Equipment together with Contractor personnel to operate it, care, custody, and control of such Rental Equipment remains with Contractor.
8. When care, custody and control of Rental Equipment has passed to Company as provided in Section 7 above, care, custody, and control of such Rental Equipment will return to Contractor upon the earliest of: (i) delivery of the Rental Equipment by Company to Contractor at the Company Worksite for transport by Contractor; (ii) delivery of the Rental Equipment by Company at the Company Worksite to a carrier selected by Contractor, in Contractor's sole discretion; or (iii) delivery of the Rental Equipment by Company to the location specified by Contractor.
9. Company will use Rental Equipment within its care, custody, and control, as provided in Sections 7 and 8 above, in a careful and prudent manner in accordance with applicable industry standards and practices. Company will return such Rental Equipment to Contractor in substantially the same condition such Rental Equipment was in when Company took care, custody, and control thereof, provided that Company is not to be liable for loss or destruction of or damage to such Rental Equipment within Company's care, custody, and control to the extent that such loss, destruction, or damage is a result of (i) manufacturer's defect; (ii) any inherent defect in the Rental Equipment; (iii) normal wear and tear; (iv) servicing performed or requested by any of the members of Contractor Group or their respective officers, directors, or personnel; or (v) Legal Fault of any of the members of Contractor Group or their respective officers, directors, or personnel.
10. Upon written notice to Contractor and without penalty, Company may terminate Contractor's provision of any Rental Equipment before the end of the period identified, in accordance with Section 2(d) above. In such event the rental rate for the Rental Equipment is to apply up to and including the date of Company's last usage of the Rental Equipment in accordance with such notice.
11. Company is entitled to continue to use Rental Equipment after the end of the period identified in accordance with Section 2(d) above, and for the same rental rate as set out in the applicable Purchase Order, provided (i) Company has given notice in writing to Contractor that it wishes to do so; and (ii) Contractor does not have a pre-existing commitment to provide the Rental Equipment to another client that clashes with such intended continued use. Contractor shall keep Company

informed regarding any prospective commitment of the Rental Equipment to others following Company's usage thereof, and shall give Company a right of first refusal to continue Company's usage in lieu of making any such commitment with others.

12. Contractor shall promptly notify Company of any damage (other than reasonably anticipatable wear and tear) to Rental Equipment upon its return to Contractor. Company and Contractor will endeavor to agree on any amount that may be due to Contractor in respect of the repair of such damage, otherwise Company will reimburse Contractor's substantiated reasonable actual costs of carrying out necessary repair of such damage that is not covered by Contractor's insurance, but not full refurbishment of Rental Equipment. For the avoidance of doubt, (i) rental charges for Rental Equipment are not to apply during any period of such repair; and (ii) Company will have no liability for damage to or loss of Rental Equipment that is in the care, custody, and control of any of the members of Contractor Group.
13. a. If Rental Equipment (other than Downhole Rental Equipment) is lost, destroyed, or in Contractor's opinion, acting reasonably, determined to be damaged beyond economic repair, the Purchase Order (or the relevant part thereof) related to such Rental Equipment will terminate immediately. To the extent such loss, destruction, or damage to the Rental Equipment is caused by the Legal Fault of Company or of any of Company's Affiliates or Coventurers, Company will be liable, in addition to the rental charges up to and including the date of termination, for (i) the original cost of such Rental Equipment reduced by the percentage of such cost set out in the adjustment table below; and (ii) reasonable costs for demobilization of the damaged Rental Equipment (as documented by Contractor) if Company requires the Rental Equipment to be collected and removed by Contractor and replaced by other equipment. The total of (i) and (ii) is to be reduced by any insurance which Contractor is entitled to collect under its policies.

ADJUSTMENT TABLE	
Age of Rental Equipment at Date of Loss	Reduction Percentage
Up to 1 Year	10%
More than 1 and up to 2 Years	20%
More than 2 and up to 3 Years	30%
More than 3 and up to 4 Years	40%
More than 4 Years (including when Contractor cannot adequately demonstrate the age of lost Rental Equipment)	50%

- b. If physical loss or damage (including to the extent that repair is impractical or uneconomic) occurs to Downhole Rental Equipment while such Downhole Rental Equipment is inside the wellbore or in the drill string below the rotary table and if such loss or damage is not predominantly caused by or predominantly the result, directly or indirectly, of a defect in such Downhole Rental Equipment, normal wear and tear, or Legal Fault of any of the members of Contractor Group or their respective personnel, Company will reimburse Contractor for such lost or damaged Downhole Rental Equipment at the lesser of: (A) the cost of repair of the Downhole Rental Equipment; or (B) the original cost of such Downhole Rental Equipment reduced by the percentage of such cost set forth in the adjustment table in Section 13(a); and in either case further reduced by any proceeds, from insurance or otherwise, to which any of the members of Contractor Group is entitled or which it otherwise receives with respect to such lost or damaged Downhole Rental Equipment.
14. Any Claim by Contractor to Company pursuant to Section 13 above must be supported by documentary evidence of purchase price and first usage of the lost or damaged Rental Equipment. If the age of such lost or damaged Rental Equipment cannot be adequately documented by Contractor, it will be presumed to be more than four (4) years old.

15. Company retains the right to replace the lost or damaged Rental Equipment with “like” equipment rather than paying Contractor an adjusted cost amount as set out in Section 13 above. “Like” equipment is defined as equipment similar in quality and appearance to lost or damaged Rental Equipment and that, in the case of Downhole Rental Equipment, meets API specifications.
16. When Downhole Rental Equipment is declared abandoned or damaged beyond repair or to the extent that repair is impractical or uneconomic, any rental charges for such equipment are to cease immediately. No rental charges are to apply while damaged items are being evaluated and repaired. In the event such evaluation concludes that the Downhole Rental Equipment is damaged beyond repair, or that repair is not economically viable, no rental charges are to apply from the time the damage occurred.
17. Company has, at all times, the sole right to decide whether and for how long fishing operations are to be conducted for any Downhole Rental Equipment lost or lodged in a well. Should Company decide to conduct such fishing operations, Company will control and be liable for the cost of operations attempting to fish such lost or lodged Downhole Rental Equipment. Provided, however, that there will be no rental charges for the lost or lodged Downhole Rental Equipment from the time of loss or lodging thereof, and Contractor shall be liable for the rental cost of applicable fishing tools, including any charges for loss or damage of such tools, to the extent that the loss or lodging was due to the Legal Fault of any of the members of Contractor Group or their respective personnel. Contractor shall render assistance, if requested by Company, for the recovery of such equipment, the provision of such assistance not modifying Company's control of the fishing operations and the aforementioned allocation of liability for the cost thereof.
18. Unless expressly stipulated otherwise in the Agreement, rental charges (i) will apply from the date Rental Equipment is ready in all respects for initial operation at the Company Worksite to which it is first delivered until the date notified by Company to Contractor on which usage of the Rental Equipment will cease prior to its demobilization, both inclusive; and (ii) will be subject to appropriate reduction at pre-agreed points within any prolonged rental period, when cumulative rental charges equate to pre-agreed proportions of the capital cost of the Rental Equipment.
19. Except for those items which are expressly designated in the Purchase Order as being supplied by Company in accordance with Section 2(f) above, Contractor shall supply and be responsible for all other services, supplies, and accessories in connection with the Rental Equipment.
20. Company will inform Contractor without undue delay, either verbally or in writing, of any problems with Rental Equipment, whereupon Contractor shall promptly rectify such problems with the Rental Equipment. Potential rectification measures are to include carrying out any required repairs (at no cost to Company, except with respect to such repairs, if any, expressly designated in the Agreement as Company's responsibility); or replacing the Rental Equipment with similar Rental Equipment.
21. If Contractor has not commenced and proceeded diligently and expeditiously with appropriate rectification measures required by Section 20 above within seventy-two (72) hours after Company has informed it of problems with Rental Equipment, then Company will have the following options, exercisable at its sole discretion:
 - a. to perform the repairs itself or to have a reputable third party perform the repairs, and Contractor shall promptly reimburse Company for the substantiated reasonable costs and expenses thereby incurred by Company; or
 - b. to rent from others a suitable temporary replacement for the Rental Equipment (inclusive of everything necessary for it to function in every respect equivalently to the Rental Equipment) pending its repair or replacement by Contractor, in which case Contractor shall bear the substantiated reasonable extra costs of such temporary replacement (inclusive of any minimum hire charges, if applicable) relative to amounts Company would have paid Contractor in the absence of problems with the Rental Equipment and the need for its repair or replacement; or
 - c. to terminate the applicable Purchase Order without further notice or liability to Contractor, except that Company will return the Rental Equipment to Contractor as provided in the Purchase Order in accordance with Section 2(f)(i) above.

22. Rental charges for the Rental Equipment will not be payable for such time period as the Rental Equipment is not able to be operated normally owing to any repair or replacement of the Rental Equipment that is Contractor's responsibility under the Purchase Order.
23. Rental Equipment remains the personal property of Contractor at all times, and title thereto remains exclusively in Contractor's name. Company will not change or remove any ownership insignia or lettering placed on Rental Equipment. Company will keep Rental Equipment free and clear from any liens and Claims attributable to Company's activities during the term of the applicable Purchase Order.
24. The following provisions are added to Article 8 (Risk Structure):
 - a. **EXCEPT AS PROVIDED IN ARTICLE 8.2, CONTRACTOR SHALL INDEMNIFY EACH OF THE MEMBERS OF COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR ATTRIBUTABLE TO POLLUTION OR CONTAMINATION (INCLUDING CONTROL, CONTAINMENT, CLEAN-UP, AND REMOVAL THEREOF) TO THE EXTENT THAT (i) THE POLLUTING OR CONTAMINATING MATERIAL IS DISCHARGED, ESCAPES, OR EMANATES FROM ANY PROPERTY OF COMPANY OR COMPANY'S AFFILIATES OR COVENTURERS (INCLUDING IN THE CASE OF DOWNHOLE RENTAL EQUIPMENT FROM THE WELL AND ANY GEOLOGICAL FORMATION OR STRATUM, OR OIL OR GAS RESERVOIR, WHICH IS THE SUBJECT OF THE WORK OR TO WHICH THE WORK RELATES); OR (ii) THE POLLUTING OR CONTAMINATING MATERIAL IS DISCHARGED, ESCAPES, OR EMANATES FROM RENTAL EQUIPMENT WHILE IN THE EXCLUSIVE POSSESSION, CARE, CUSTODY, OR CONTROL OF ANY OF THE MEMBERS OF COMPANY GROUP AND SUCH DISCHARGE, ESCAPE, OR EMANATION ARISES OUT OF OR RESULTS FROM (A) THE LEGAL FAULT OF ANY OF THE MEMBERS OF CONTRACTOR GROUP OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, PERSONNEL, OR INVITEES; (B) CONTRACTOR'S FAILURE TO COMPLY WITH ITS REPAIR AND MAINTENANCE OBLIGATIONS UNDER THE AGREEMENT; OR (C) INHERENT VICE OF OR LATENT DEFECT IN RENTAL EQUIPMENT. PROVIDED, HOWEVER, THAT CONTRACTOR'S MAXIMUM LIABILITY FOR SUCH CLAIMS IS NOT TO EXCEED FIVE MILLION UNITED STATES DOLLARS (US\$5,000,000) PER OCCURRENCE; AND, SUBJECT TO CONTRACTOR FULFILLING SUCH INDEMNIFICATION OBLIGATION, COMPANY SHALL INDEMNIFY THE MEMBERS OF CONTRACTOR GROUP FROM AND AGAINST SUCH CLAIMS TO THE EXTENT THEY EXCEED FIVE MILLION UNITED STATES DOLLARS (US\$5,000,000) PER OCCURRENCE.**
 - b. **IN ADDITION TO THE OBLIGATIONS UNDER SECTION 24(a), EXCEPT AS PROVIDED IN ARTICLE 8.2, CONTRACTOR SHALL INDEMNIFY EACH OF THE MEMBERS OF COMPANY GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR ATTRIBUTABLE TO POLLUTION OR CONTAMINATION (INCLUDING CONTROL, CONTAINMENT, CLEAN-UP, AND REMOVAL THEREOF) OCCURRING IN CONNECTION WITH PERFORMANCE OF THE WORK UNDER ANY PURCHASE ORDER TO THE EXTENT THAT THE POLLUTING OR CONTAMINATING MATERIAL IS DISCHARGED, ESCAPES, OR EMANATES FROM PROPERTY OF ANY OF THE MEMBERS OF CONTRACTOR GROUP, INCLUDING RENTAL EQUIPMENT NOT IN THE EXCLUSIVE POSSESSION, CARE, CUSTODY, OR CONTROL OF ANY OF THE MEMBERS OF COMPANY GROUP.**
 - c. **EXCEPT AS PROVIDED IN ARTICLE 8.1 AND IN SECTION 24(a), COMPANY SHALL INDEMNIFY EACH OF THE MEMBERS OF CONTRACTOR GROUP FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR ATTRIBUTABLE TO POLLUTION OR CONTAMINATION (INCLUDING CONTROL, CONTAINMENT, CLEAN-UP, AND REMOVAL THEREOF) TO THE EXTENT THAT THE POLLUTING OR CONTAMINATING MATERIAL IS DISCHARGED, ESCAPES, OR EMANATES FROM ANY RENTAL EQUIPMENT WHILE IN THE EXCLUSIVE POSSESSION, CARE, CUSTODY, OR CONTROL OF ANY OF THE MEMBERS OF COMPANY GROUP.**
 - d. Initiation of clean-up operations by either Party is not to be construed as an admission or assumption of liability by such Party.
 - e. It is the express intent of the Parties that in the event the application of any of Sections 24(a), (b), or (c) above to prosecutions, fines, penalties, or other actions maintained or imposed by any governmental authority is determined to be void or unenforceable, such provisions and the obligations therein nevertheless apply to all other Claims.
25. Loss of or Damage to Well. **COMPANY SHALL INDEMNIFY EACH OF THE MEMBERS OF CONTRACTOR GROUP FROM AND AGAINST CLAIMS FOR LOSS OF OR DAMAGE TO A COMPANY WELL ON WHICH MEMBERS OF**

CONTRACTOR GROUP ARE PERFORMING WORK; PROVIDED, HOWEVER, THAT IF SUCH LOSS OR DAMAGE IS CAUSED BY OR RESULTS FROM LEGAL FAULT OF ANY OF THE MEMBERS OF CONTRACTOR GROUP OR THEIR RESPECTIVE OFFICERS, DIRECTORS, OR PERSONNEL, CONTRACTOR SHALL RE-PERFORM THE WORK (OR THE RELEVANT PROPORTION THEREOF) AT CONTRACTOR'S SOLE COST, NOT TO EXCEED ONE MILLION UNITED STATES DOLLARS (US\$1,000,000) PER OCCURRENCE, TO THE MEASURED DEPTH AT WHICH THE LOSS OR DAMAGE OCCURRED.

26. Blow-Out or Crater. **IF A WELL ON WHICH WORK IS BEING PERFORMED SHOULD BLOW OUT OR CRATER, OR SHOULD CONTROL THEREOF BE LOST, COMPANY WILL REMUNERATE CONTRACTOR IN ACCORDANCE WITH THE AGREEMENT FOR ITS PARTICIPATION IN KILLING THE WELL OR OTHERWISE BRINGING IT UNDER CONTROL. THIS OBLIGATION APPLIES ONLY TO THE DIRECT, OUT-OF-POCKET COSTS INCURRED IN BRINGING THE WELL UNDER CONTROL.**
27. Reservoir Damage. **COMPANY SHALL INDEMNIFY EACH OF THE MEMBERS OF CONTRACTOR GROUP FROM AND AGAINST ANY AND ALL CLAIMS FOR DAMAGE TO ANY GEOLOGICAL FORMATION OR STRATUM, OR RESERVOIR (OF OIL, GAS, WATER, OR OTHER SUBSTANCE), WHICH IS THE SUBJECT OF THE WORK OR TO WHICH THE WORK RELATES; AND FOR LOSS OF PRODUCTION THEREFROM.**
28. Solely with respect to Rental Equipment, the following provision is to apply in lieu of Article 9.2 (Insurance):

Contractor's insurance (including any in respect of Rental Equipment) is to be written or endorsed such that, to the extent of any risks and liabilities assumed, and Indemnities granted, by Contractor under the terms of this Agreement, when legally permitted: (i) Company Group are to be shown as additional insureds; (ii) the insurers are to have no right of recovery against any of the members of Company Group or their respective officers, directors, or personnel; and (iii) the insurance is to be primary to any coverage available to Company or its Affiliates or Coventurers. Contractor shall provide evidence of such insurance coverage when requested by Company. The above-stated minimum requirements are not intended to indicate the amounts or types of insurance that Contractor needs or may ultimately need and do not alter or affect Contractor's liability under the terms of the Agreement. Contractor shall ensure that each member of Contractor Group performing Work under the Agreement maintains insurance which is required under Applicable Laws, together with other insurance of types and amounts that Contractor may deem necessary.

29. Solely with respect to Rental Equipment, the following provision is to apply with respect to Article 7 (Warranties):

Contractor undertakes and warrants and guarantees to Company that: (i) Contractor is the lawful owner of the Rental Equipment and has the right to provide the Rental Equipment to Company; (ii) upon its delivery the Rental Equipment will be in good operating condition and suitable for the purposes for which it was designed; (iii) Contractor shall do nothing to prejudice or detract from Company's quiet enjoyment of the Rental Equipment during the term of the applicable Purchase Order as long as Company is not in default under such Purchase Order; (iv) all Work is to be diligently performed with competent and skilled personnel to the highest standards of skill, care, expertise, and knowledge as pertain to first class reputable contractors experienced in performance of work of a similar nature; (v) all Work will be complete and free of errors, omissions, defects, deficiencies, and discrepancies in design, materials, workmanship, or otherwise relative to, and any other failure of the Work to comply with, the requirements of the Agreement; (vi) performance of all Work and constituents thereof will be in full compliance with all Applicable Laws; and (vii) all Work is to be performed in accordance with any particular requirements stipulated in the Agreement.

30. Solely with respect to Rental Equipment, the following provision is to apply in conjunction with Article 11 (Termination):

Company is entitled to terminate the applicable Purchase Order, or any part of the Work thereunder (including terminating the rental of any Rental Equipment before the end of the period identified in accordance with Section 2(d) above), by giving written notice to Contractor, in which event the sole liability of Company will be to pay to Contractor (i) the part of the Purchase Order price for any Work performed in accordance with the Purchase Order (including the rental rate for the Rental

Equipment up to and including the date of Company's last usage of the Rental Equipment in accordance with such notice); and (ii) charges for demobilization of the Rental Equipment, if to be collected by Contractor as specified in the Purchase Order; less the net saving of cost to Contractor arising from the termination. If Rental Equipment is lost, destroyed, or damaged beyond economic repair, the termination provisions of Section 13 above apply.