

## PURCHASE ORDER TERMS – SERVICES & MATERIALS (NON-SITE)

### 1. DEFINITIONS

In addition to terms referenced in the Purchase Order cover sheet, the following capitalized words and phrases have the meanings noted below:

- 1.1 **"Affiliate"** will have the meaning provided in the Business Corporations Act (Alberta).
- 1.2 **"Business Day"** means any day, except Saturday, Sunday or a statutory holiday observed in Alberta.
- 1.3 **"Change Directive"** means a written instruction from Company directing a change in, addition to or deletion from the Work, issued in accordance with GC 6.2.
- 1.4 **"Change Order"** means a written order authorizing a change in, addition to or deletion from the Work, issued by Company in accordance with GC 6.1.
- 1.5 **"Change Request"** means a written request from Supplier to Company for a change in, addition to or deletion from the Work, per GC 6.4.
- 1.6 **"Claim"** means any one or more of the following, whether first party or third party: claims; demands; losses; costs; liabilities; damages; liens; encumbrances; actions; suits or proceedings; together with interest, fines, penalties and legal costs on a solicitor-and-own-client basis, all as applicable.
- 1.7 **"Company"** is the entity issuing this Order, as identified in the header of the Order cover sheet.
- 1.8 **"Company Group"** means Company, its Affiliates and agents and all their respective Personnel.
- 1.9 **"Confidential Information"** means the Deliverables and all information, in any format, relating to the Work or the nature of Company Group's business, affairs or trade secrets, which Supplier directly or indirectly receives or acquires from Company Group or Other Suppliers, either in writing or verbally, including information in the Order; or through observation of the Work or work performed by Company Group or Other Suppliers.
- 1.10 **"Consequential Losses"** means any one or more of: loss of profits (actual or anticipated), loss of business opportunity, loss of revenue (actual or anticipated) and loss of reputation.
- 1.11 **"Contract Price"** means the not to exceed, total amount payable by Company to Supplier under the Order for timely and proper performance of the Work, as accepted by Company in accordance with the Order, as may be adjusted by Change Orders and Change Directives.
- 1.12 **"Defect"** means any part of the Work not performed in accordance with the Order.
- 1.13 **"Deliverables"** means the documents, Materials, software, intellectual property or other items (tangible or intangible) developed, performed, prepared, produced, created, procured, utilized or provided by Supplier Group to fulfill the requirements of the Order.
- 1.14 **"Dispute"** means any disagreement or difference arising between the Parties under, or in respect of any matter arising from, the Order.
- 1.15 **"Equipment"** means tools, machinery and equipment owned, hired, leased or otherwise provided by Supplier Group to perform the Work, title to which is not intended to transfer to Company.
- 1.16 **"Event of Force Majeure"** means the occurrence of a circumstance beyond a Party's reasonable control or expectation and without its fault or negligence (including civil commotions, elements of nature, fires, floods, acts of God and war).

- 1.17 **“Governmental Authority”** means any international, federal, provincial or municipal government or other administrative, regulatory or legislative authority, commission, tribunal or court, or any of the respective agencies or departments of them, having jurisdiction over any aspect of the Work, the Order or any matters related to them.
- 1.18 **“HSSE”** means health, safety, security and environmental.
- 1.19 **“Law”** means the common law, the law of equity and all international, federal or provincial decrees, statutes or municipal by-laws, and all regulations, rules, orders, directives, codes, permits and licences under any of them, made or issued by any Governmental Authority having jurisdiction, which apply to or otherwise affect any of: the Work; the Order; any Worksite; Company; Supplier; or Subcontractors.
- 1.20 **“Materials”** means materials, goods, supplies, machinery, equipment and fixtures, title to which is intended to transfer to Company or which are consumed in performance of the Work, but excludes Equipment.
- 1.21 **“Negotiator”** means a specified individual who has no direct operational responsibility for the subject matter of a Dispute, but holds full authority to settle the Dispute on behalf of their Party.
- 1.22 **“Notice”** means a formal written communication, issued from one Party to the other Party’s address specified in the header or Supplier section of the Order cover sheet, respectively, in respect of a matter which needs to be formally recorded as affecting the Order.
- 1.23 **“Order”** means, collectively, these Purchase Order documents, issued by Company to Supplier to authorize performance of Work, once executed by authorized representatives of both Parties or deemed accepted, as may subsequently be amended by any Change Orders and Change Directives.
- 1.24 **“Other Supplier”** means any contractor, vendor or consultant (including Personnel of that entity) retained by Company at any tier to perform any work or services related to the Work, other than Supplier Group.
- 1.25 **“Party”** means Company or Supplier, and **“Parties”** means both Company and Supplier.
- 1.26 **“Person”** means any individual (including the individual’s heirs, executors, administrators or other legal representatives), partnership (including a limited partnership or limited liability partnership), corporation (including an unlimited liability company), trust, joint venture, unincorporated organization, government (including any related department or agency) or any other legal entity and, as applicable, includes their respective Personnel.
- 1.27 **“Personnel”** means, in relation to any Person, that Person’s directors, officers, employees, contract personnel and representatives, all as applicable.
- 1.28 **“Prime Rate”** means the prime rate of interest for commercial loans to its preferred customers, as published at the main branch of the Royal Bank of Canada in Calgary, Alberta.
- 1.29 **“Records”** means the books, statements, original invoices, records and accounts of Supplier Group relating to the Order or performance of the Work, whether in paper or electronic form.
- 1.30 **“Representative”** means that individual identified in the Order, or a replacement confirmed or accepted by Company by Notice.
- 1.31 **“Standard of Care”** means the standard of skill, care, diligence and workmanship expected of a competent contractor carrying out work of a similar nature to the Work in Alberta.
- 1.32 **“Subcontractor”** means a subcontractor or supplier of Materials or services to Supplier, at any tier, who is engaged for a discrete scope of work, supply or services in relation to the Work.

- 1.33 **“Supplier”** is the entity responsible for performance of Work under this Order, as identified on the Purchase Order cover sheet.
- 1.34 **“Supplier Group”** means Supplier, its Affiliates, Subcontractors and agents and all their respective Personnel.
- 1.35 **“Warranty Period”** means the period during which Supplier is subject to performance of its warranty obligations under the Order, which will be 18 months after completion of the Work, or any longer period as may be available as a warranty for Materials.
- 1.36 **“WCB”** means the Workers’ Compensation Board of Alberta or any other applicable jurisdiction.
- 1.37 **“Work”** means all the services to be performed by Supplier in respect of the Order, including provision of Deliverables and anything that is ancillary or necessary by implication to fulfill the requirements described in the Order.
- 1.38 **“Work Schedule”** means the time schedule for performance of the Work, as detailed in the Order.
- 1.39 **“Worksite”** means a designated location of the Work, as identified in the Order or by Notice from Company to Supplier.

## **2. INTERPRETATION**

- 2.1 If the Order requires an action to be performed or an obligation to be undertaken, the action or obligation shall be performed in a prompt and reasonable manner, unless otherwise specified.
- 2.2 Unless it is stated, or the context requires, otherwise:
- a) words importing the singular include the plural and vice-versa and words importing gender include the masculine, feminine and neuter genders;
  - b) use of reference numbers in the Order refers to the part of the Order in which the reference is contained, and includes all further sub-tiers of the referenced section, as applicable;
  - c) all dimensions are expressed in metric units, except where imperial units of measurement are in common use. Except as stated in the previous sentence, if an imperial unit is used and conversion to metric gives a result which differs from standard metric dimensions in common usage, the standard metric dimension will apply;
  - d) for documents revised and issued by either Party in accordance with the Order, the most recent revision issued will govern; and
  - e) all monetary amounts referred to in the Order are expressed and payable in Canadian dollars.
- 2.3 Headings are used in the Order for convenience and ease of reference only and in no way define, limit, describe or interpret the scope or intent of the Order.
- 2.4 The word “including” is not to be construed as limiting a general term or statement to the specific items or matters stated, or to similar items or matters, but rather as referring to all items or matters that could reasonably fall within the broadest possible scope of the term or statement.
- 2.5 Where words and abbreviations used in the Order have customary technical or trade meanings, they will be interpreted in accordance with those technical or trade meanings.
- 2.6 All written and verbal communications between Company and Supplier, and all documents submitted to Company by Supplier Group, shall be in the English language.

### **3. NOTICES**

- 3.1 All Notices shall be: delivered personally; delivered by registered mail or commercial courier; sent by fax; or sent by email transmission to the applicable counterparty address stated in the Order, with a copy emailed to "LegalDepartment@PetroChinaCanada.com".
- 3.2 A Notice will be deemed to have been given on the date on which it was delivered or transmitted, if delivered or transmitted on a Business Day during the regular business hours of the recipient. If a Notice is delivered or transmitted on a day that is not a Business Day or outside the regular business hours of the recipient, the Notice shall be deemed to have been delivered or transmitted on the following Business Day.
- 3.3 A Party may change any Notices information in the Order at any time by giving Notice of the change to the other Party. The change in information will be effective five Business Days after receipt of the Notice by the recipient, or any subsequent date stated in the Notice.

### **4. GENERAL PROVISIONS**

- 4.1 The Order constitutes the entire agreement between the Parties with respect to, and supersedes all prior written or oral negotiations, representations or agreements relating to, the Work. Except as required for close out activities, the Order is intended to expire on completion of the Work.
- 4.2 The Order may be amended only by written agreement of the Parties, signed by authorized representatives of both Parties, and will enure to the benefit of, and be binding on, the Parties, their respective successors and permitted assigns.
- 4.3 A waiver of any right, power or privilege by a Party shall be in writing and signed by an authorized representative of that Party. The waiver will only be effective to the extent detailed and will not limit or affect that Party's rights with respect to any subsequent or other failure, delay or breach.
- 4.4 Notwithstanding termination or expiry of the Order, any terms, covenants, provisions or conditions which expressly or by their nature survive that termination or expiry will continue in full force and effect after, and will not be merged with, the termination or expiry until those terms, covenants, provisions and conditions are satisfied or by their nature expire.
- 4.5 If requested by a Party, the other Party shall execute and deliver, make or cause to be made, any further acts, deeds, assurances and items as may be required or necessary to implement and carry out the terms of the Order.
- 4.6 Time is of the essence in respect of performance of all Work and obligations under the Order. If a Party fails to meet its obligations in a timely manner, the other Party may raise a Dispute.
- 4.7 Order of Precedence  
Subject to GC 23.1.1, if there is a conflict or inconsistency between the provisions of the Order, the order of precedence, from highest to lowest, will be:
  - a) Change Orders and Change Directives;
  - b) Purchase Order cover sheet, except as stated otherwise in the Purchase Order Terms – Services & Materials (Non-Site);
  - c) the Purchase Order Terms – Services & Materials (Non-Site), which are denoted as "GC" when referenced in the Order; and
  - d) all other Attachments, in order of appearance in the Order.

## 5. THE WORK

### 5.1 Supplier represents and warrants to Company that it:

- a) has examined the Order and other documents provided by Company and obtained a full understanding and knowledge of its obligations under the Order;
- b) has the experience, resources, Equipment, capacity, suitably trained Personnel, Subcontractors and capability to perform the Work, using industry-approved techniques and sound practices;
- c) shall perform all the Work using the Standard of Care and fulfil all its obligations under the Order in accordance with the Order, applicable Company policies, standards and other requirements (which can be found at <http://www.PetroChinaCanada.com/suppliers>) and the Law;
- d) shall comply with all obligations assumed in, and perform all measures necessary to maintain an approved status under, Company's online prequalification program, hosted by ISNetworld;
- e) is duly incorporated or registered, as the case may be, and is validly existing under the laws of the jurisdiction(s) of its incorporation or registration, and has all required permits, certifications, registrations, licences and authorizations necessary to carry on its business and to provide the Work; and
- f) is not a non-resident of Canada for the purposes of the Income Tax Act (Canada).

### 5.2 Unless otherwise approved by Change Order or Change Directive, Supplier is not permitted to deviate from requirements in the Order. If Supplier performs services or work which are not part of the Work, those services or work will be at Supplier's sole risk and expense.

### 5.3 All members of Supplier Group shall exercise care and diligence to prevent any actions or conditions which could result in a conflict with Company's best interests, including: disclosing information about Company's business or operations; withholding information that could adversely affect the business interests or operations of Company; accepting or offering gifts or other consideration that may lead to a perceived obligation; or engaging in any activity that would contravene any Law.

### 5.4 The duties, liabilities and obligations of Supplier in respect of the Work and any remedial Work will not be deemed waived, released or relieved by payment for, or inspection, review or approval of, any part of the Work by Company or its representatives.

### 5.5 Supplier's Representative has the authority to bind Supplier on all matters relating to the Work and shall be available or immediately accessible to Company's Representative at all times.

### 5.6 Labour, Materials and Equipment

#### 5.6.1 Supplier shall arrange for complete handling of all labour, supervision, Materials and Equipment it has responsibility for, including procurement, inspection, expediting, shipping, unloading and receiving, except as otherwise expressly provided in the Order.

#### 5.6.2 Supplier shall provide a sufficient number of Supplier Group Personnel to enable timely and proper execution of the Work. Supplier Group Personnel shall be qualified, competent, trained and experienced in performance of work similar to the Work.

#### 5.6.3 At Company's request and at Supplier's sole expense and liability, Supplier shall reassign, replace or remove any Supplier Group Personnel who Company believes: negatively affects the quality, efficiency or safety of the Work or the ability to meet the Work Schedule; fails to perform to the Standard of Care; or has committed a violation of Company policies.

- 5.6.4 Supplier is solely responsible to ensure timely provision, regular and proper maintenance and good and safe working order of all Equipment. Failure, loss or break down of Equipment will not constitute basis for a change and Supplier shall replace Equipment found to be non-functional, missing, unsafe or unsuitable at no cost to Company.
- 5.6.5 Any materials, equipment or services to be provided by Company to Supplier are specified in the Order. Supplier shall treat any materials or equipment provided by Company in a careful and reasonable manner and, where they are not intended for consumption or permanent incorporation in the Work, will return them to Company on completion of the Work in no worse a condition than when they were received, subject to reasonable wear and tear. Any materials or equipment provided by Company are provided on an "as is, where is" basis. Company makes no express or implied warranty or representation with respect to anything so provided and makes no warranty of merchantability or fitness for a particular purpose.

## 5.7 Reporting

Supplier shall report regularly to Company in a format acceptable to Company, which may include:

- a) actual progress reports, with itemized breakdown of Work complete, in progress and scheduled for the next reporting period;
- b) full cost reporting and forecasting of overall cost of Work; and
- c) other reports which may be requested by Company from time to time.

## 6. CHANGES

- 6.1 At any time, Company may make a change in, addition to or deletion from the Work by providing Notice to Supplier. No more than five Business Days after receipt of that Notice, Supplier shall: agree in writing to the changes in the Notice; or give Notice to Company that the changes are not acceptable. Once the subject matter is agreed between the Parties, Company shall issue a Change Order recording the change.
- 6.2 No changes in respect of the Work are approved by Company unless noted in a Change Order and noted changes will contemplate all direct costs, indirect costs, overhead costs, general and administrative expenses, profit and all other impacts, effects and Claims (including cumulative effects). If a change is made on a reimbursable (time and materials) basis, Supplier shall keep detailed Records of time and supplies employed. Supplier will be paid for a change in accordance with the Change Order and the Order and the value of Work performed under a Change Order will be separately identified in regular invoices submitted by Supplier.
- 6.3 If Company requires Supplier to proceed with a change before the Parties agree, or if the Parties have failed to agree, on the terms governing that change, Company may issue a Change Directive to Supplier. On receipt of a Change Directive, Supplier shall proceed with the change, keeping detailed Records of the time and supplies employed in the change.
- 6.4 If Supplier believes any circumstance related to the Work, including any revision in the Law occurring after the date of the Order, should have, but has not, resulted in Company issuing a Notice, Supplier may issue a Change Request within five Business Days of its identification of the circumstance. If Company gives Notice to Supplier that the Change Request is rejected, Supplier may raise a Dispute. If Supplier does not issue the Change Request within the specified time, Supplier will have no Claim against Company attributable to that instruction, interpretation, decision or direction.



- 6.5 Company will not fully define all Work to be undertaken by Supplier. The omission of any item which can reasonably be implied to be included under the Order will not constitute a basis for change in relation to that item.

## **7. INSPECTION, TESTING & COMPLETION**

- 7.1 Company shall have access to the Work and the Worksite at all times and may arrange for inspection of the Work on 24 hours' Notice to Supplier.
- 7.2 Supplier shall continuously monitor and inspect the Work during performance for Defects and ensure that all Defects are corrected on an expedited basis and at no additional cost to Company. If Supplier fails to remedy those Defects, Company may have the remedial work done by an Other Supplier and charged back to Supplier.
- 7.3 Neither failure of Company to carry out reviews or inspections, nor performance of reviews and inspections by Company, will relieve Supplier from: its responsibility that Work be performed in accordance with the Order; its warranty and indemnification obligations; or otherwise performing the obligations required of it under the Order.
- 7.4 Once all Work is performed, Supplier shall remove all Equipment and waste related to the Work.

## **8. WARRANTY**

- 8.1 Supplier warrants the Work, including all workmanship, Materials and Equipment supplied directly or indirectly by Supplier Group and incorporated into the Work, shall be free from Defects.
- 8.2 If a Defect is discovered before expiry of the Warranty Period and Company provides Notice to Supplier of the Defect no more than 90 days after expiry of the Warranty Period, Supplier shall, at its own risk and expense, without delay and in a manner satisfactory to Company, remedy the Defect and repair or replace anything damaged as a result, or by remedy, of the Defect.
- 8.3 If Supplier fails to remedy, or commence remedy of, a Defect within seven days after Company provides Notice of the Defect to Supplier (or a longer period proposed by Supplier and approved by Company in writing), or otherwise at Company's option, Company may remedy any Defects and Supplier shall be liable for all reasonable costs and expenses incurred by Company in doing so. Company may invoice Supplier for those amounts or retain, set-off and deduct those amounts from payments or other monies due, or which may become due, to Supplier.
- 8.4 Supplier further warrants any remedial Work performed for 12 months after completion of the remedial Work or such longer period as may be available as a warranty for the Materials.
- 8.5 Supplier shall perform its warranty obligations in a manner that minimises disruption to Company's operations and coordinate with Company to determine a suitable time to perform warranty work.
- 8.6 Neither acceptance of the Work by Company, nor payment for performance of the Work, will relieve Supplier from any responsibility for Defects.

## **9. OTHER WORK & INTERFACES**

- 9.1 Supplier shall co-ordinate and schedule the Work and co-operate fully with Company, Other Suppliers and all other parties who Supplier or Company may be involved with during performance of the Work, performing the Work in a manner which causes minimum inconvenience and no injury or damage to others.

- 9.2 If services or work performed by Other Suppliers or Company will interfere with the Work, Supplier shall provide Notice to Company of the interference and await Company direction before proceeding with the Work.

## **10. SUBCONTRACTS**

- 10.1 Before entering into a subcontract, Supplier shall provide Notice to Company, stating the part of the Work to be subcontracted and details of the intended Subcontractor. For reasonable cause, Company may reject use of a proposed Subcontractor. Company's review or approval will not release or relieve Supplier of any of its obligations under the Order.
- 10.2 Nothing in the Order will create any contractual relationship between Company and any other member of Supplier Group, except as provided for in the Order.
- 10.3 Supplier shall:
- a) require and ensure that all Subcontractors comply with the terms of the Order and Company's requirements for performance of the Work; and
  - b) be fully responsible for the Work, regardless of which member of Supplier Group performs the Work, and for the acts or omissions of all members of Supplier Group to the same extent as Supplier is for its own acts or omissions.

## **11. ASSIGNMENT AND NOVATION**

- 11.1 Supplier shall neither assign nor novate the Order without prior written approval of Company.
- 11.2 Company may assign and novate the Order, including all rights and obligations, at any time, by Notice to Supplier.

## **12. HSSE**

- 12.1 Supplier shall be responsible for safe performance of Work and for compliance of Supplier Group with all Law, Company policies and practices relating to HSSE matters and loss management, ensuring compliance of all members of Supplier Group with safety directions made or imposed by Company.
- 12.2 In the event of an HSSE incident related to the Work, Supplier shall: immediately verbally notify Company and provide Notice no more than 24 hours after the incident occurs, giving all known details of the incident; keep Company informed of all post-incident developments and provide copies of all relevant documentation to Company, including medical status and anticipated recovery of any individuals involved, investigations by any Governmental Authority, reports prepared by or submitted by any member of Supplier Group and the laying of any charges; and prepare, provide to Company and implement a corrective action plan in a time period agreed by Company.
- 12.3 At its sole and absolute discretion, any of: Company; Governmental Authorities; or approved representatives of either, will have open and continuous access to the Work and the Worksite for inspection purposes and may cause part or all of the Work to be stopped or any member of Supplier Group to be removed or excluded from any Worksite for reasons of HSSE. This action will not relieve Supplier of its obligations under the Order or otherwise affect the Contract Price or the date specified in the Order as the estimated or targeted date for completion of the Work or give rise to any Claim by Supplier against Company.



### **13. OWNERSHIP OF, & TITLE TO, THE WORK**

- 13.1 All rights in respect of pre-existing or independently created intellectual property will remain vested in the Party providing that intellectual property in connection with the Order. Supplier grants Company an irrevocable, royalty-free, worldwide, non-exclusive license to use pre-existing intellectual property provided under the Order for, or in connection with, the applicable Work. All proprietary rights to intellectual property created in the performance, or as a result of the performance, of the Work will become the property of Company.
- 13.2 Except as noted in GC 13.3, title to Deliverables will pass to Company on creation of those Deliverables. Supplier shall issue all Deliverables to Company on completion of the part of the Work to which the Deliverables apply, but no later than required by the Order or earlier termination of the Order, the Work or any applicable part of any of them. Where applicable, transfer of Deliverables shall be effected via Company's document management system.
- 13.3 Irrespective of any Incoterm or other requirement in regard to delivery of Materials which may be specified in the Order, title to Materials passes to Company on the earlier of: payment for the item by Company; delivery to Company; or arrival of the item at the Worksite. Title to all Equipment will remain with the applicable member of Supplier Group.
- 13.4 Supplier shall be liable for, and shall release and indemnify each member of Company Group from and against any Claims arising out of, or resulting from, the actual or alleged infringement or misappropriation of any intellectual property rights in respect of the Deliverables. At its own expense, Supplier may: provide substitute, non-infringing Deliverables; modify the Deliverables so they become non-infringing; or obtain necessary licenses to use the infringing Deliverables, but only if those substituted and modified Deliverables meet all the requirements of the Order.
- 13.5 Supplier warrants that title to Deliverables and Work (whether completed or in the course of performance at the Worksite) shall be free of all Claims.

### **14. CONFIDENTIALITY & PUBLICITY**

- 14.1 Supplier Group shall keep all Confidential Information in confidence and shall not: disclose it to others without the prior written consent of Company; or use Confidential Information, except in performance of the Work.
- 14.2 In addition, Supplier shall not disclose any Confidential Information, except to: a member of Supplier Group who has a need to know the Confidential Information or the details of the Work, to the extent necessary to perform the Work; or comply with the Law, in which case Supplier shall notify Company on becoming aware of the requirement to disclose.
- 14.3 GC 14 will survive expiry or earlier termination of the Order for a period of three years.
- 14.4 No member of Supplier Group is permitted to use the name, or registered or unregistered trademarks, of Company or its Affiliates in any slogans, advertising, promotional materials or information or publicity releases, without prior written consent of Company's corporate communications department.

### **15. FORCE MAJEURE**

- 15.1 Neither Party will be liable for losses, delays, failures, errors or interruptions occurring, directly or indirectly, by reason of an Event of Force Majeure.
- 15.2 The following circumstances are not considered to give rise to an Event of Force Majeure:

- a) the financial incapability or insufficiency of funds of any Person;
- b) delays arising due to inefficient performance of the Work by, or caused by the acts or omissions of, Supplier Group;
- c) adverse weather conditions which can be reasonably anticipated as occurring in a location or during a season, due to historical experience; and
- d) inability or failure of Supplier to obtain sufficient Personnel, Materials or Equipment to perform the Work, except to the extent caused by a legitimate Event of Force Majeure.

15.3 Either Party may claim an Event of Force Majeure has occurred by giving the other Party verbal notice within 48 hours of the occurrence and providing Notice within 72 hours of the occurrence. If Company confirms an Event of Force Majeure has occurred, a mutually acceptable corrective action plan will be developed and executed to minimize and mitigate the effect of the Event of Force Majeure. Supplier will not be permitted to submit any Claim in respect of the time that Work is subject to suspension due to an Event of Force Majeure.

15.4 If Company does not agree with an application for an Event of Force Majeure, Supplier shall continue to perform the Work and may request adjustments to the Order in the manner provided in GC 6.4.

15.5 If there is an Event of Force Majeure, the Party claiming relief shall: complete its obligations in accordance with the approved action plan; and not treat any third party it contracts with more favourably, where its obligations to that third party are affected by the same Event of Force Majeure.

15.6 If an Event of Force Majeure continues for a period in excess of 60 consecutive days and results in the Work being stopped or suspended during that period, Company may terminate the affected Work, or the Order if all Work is affected, and shall pay Supplier for Work performed to the date of termination. On partial termination of the Work under this provision, Supplier shall continue to perform any Work unaffected by the Event of Force Majeure.

## **16. DELAYS**

16.1 Supplier shall provide Notice to Company of any delays or potential delays of which it becomes aware and which may have any impact on the Work Schedule or any other significant aspect of the Work.

16.2 If Supplier is responsible for a delay in progress of the Work or fails to complete any part of the Work in accordance with timelines in the Order, Supplier shall provide a recovery plan within five days of its awareness of the delay and perform all acts required or requested by Company to make up lost time and avoid further delay in performance of the Work, all at Supplier's own expense.

## **17. SUSPENSION**

17.1 In addition to any other right Company has under the Order or in Law, Company may require Supplier to suspend any Work by issuing Notice specifying the effective date of the suspension, the part of the Work affected and other requirements of the suspension, including whether Company anticipates that demobilization of idle Equipment or Personnel will occur as a result of the suspension. Company shall reimburse Supplier for reasonable and verifiable costs incurred by Supplier as a direct result of suspension of the Work under GC 17.1.

17.2 If Supplier is in breach of any of its obligations under the Order, Company may issue Notice requiring Supplier to suspend that Work until Company has received evidence satisfactory to Company that the breach has been cured. If Company suspends the Work under this GC 17.2, Supplier will not be paid any compensation with respect to the suspended Work.

- 17.3 On receiving Notice under GCs 17.1 or 17.2, Supplier shall discontinue the suspended Work, place no further orders or contracts with respect to suspended Work and make efforts to obtain suspension terms satisfactory to Company with respect to all orders, contracts and agreements placed by Supplier in relation to the suspended Work. Supplier shall continue to perform all Work which has not been suspended by Company.
- 17.4 Supplier shall use its Personnel, Equipment and Materials in a manner, and take other steps necessary or desirable, to minimize the costs associated with the suspended Work. Supplier shall secure and protect suspended Work and all Materials and Equipment intended to be used or incorporated in resumed Work.
- 17.5 Company may authorize resumption of suspended Work, or any part of it, by giving Supplier Notice specifying the suspended Work to be resumed and the date of that resumption. Supplier shall resume the suspended Work on the date and to the extent specified in the Notice.

## **18. TERMINATION**

### **18.1 Termination for Convenience**

- 18.1.1 In addition to any other rights Company may have under the Order or in Law, and at any time, Company may terminate the Order, the Work or any part of them without cause by giving Notice to Supplier specifying the nature, scope and effective date of the termination.
- 18.1.2 On termination under GC 18.1.1, Company shall reimburse Supplier for Work performed in accordance with the Order to the date of termination and for reasonable and verifiable costs incurred by Supplier as a direct result of the termination.

### **18.2 Termination for Cause**

- 18.2.1 Without limiting the generality of GC 18.1, either Party may immediately terminate the Order by Notice to the other Party ("**Defaulter**"), if: Defaulter becomes insolvent, makes a general assignment or enters into a plan of arrangement for the benefit of its creditors or otherwise acknowledges its insolvency; a bankruptcy or receiving order is filed or made against Defaulter; an order is made or resolution passed for the winding up or liquidation of Defaulter; a custodian, receiver, manager or other officer with similar powers is appointed in respect of Defaulter or any of Defaulter's property; Defaulter ceases to carry on business in the ordinary course; or a creditor takes possession of any of Defaulter's property or if a distress, execution or any similar process is levied or enforced against that property and remains unsatisfied by Defaulter. Defaulter shall provide Notice to the non-defaulting Party as soon as possible after any of the events noted occurs.
- 18.2.2 Company may give Notice to Supplier, if Supplier:
- i) is found to have made a false representation or declaration;
  - ii) breaches a material term of the Order; or
  - iii) cannot, in Company's opinion, meet the Work Schedule, or fails to meet a specified time period in respect of any other obligation under the Order.

18.2.3 In the event of breach under GC 18.2.2ii) or 18.2.2iii), Supplier will have two Business Days following receipt of the Notice, or any longer time Company determines to be reasonable and specifies in the Notice or subsequently agrees in writing, to remedy the breach or prepare a remedial plan satisfactory to Company and commence to prosecute a remedy. If Supplier fails to act as contemplated, or in the event of Notice issued under 18.2.2i), Company may terminate any part of the Work and the Order by Notice to Supplier.

18.2.4 If part of the Work or the Order is terminated by Company pursuant to GC 18.2 by reason of the default of Supplier:

- i) Company will not be liable for any costs incurred by Supplier as a result of the termination;
- ii) Company shall pay Supplier for all Work satisfactorily performed to the date of termination, less any additional Claims Company incurs, suffers or sustains, including any amount Company must pay to obtain completion of affected Work by others, for which Company may withhold and offset payment in accordance with GC 19.7; and
- iii) Company will not be liable for any penalties, damages or loss of profits as a result of the termination of the Order or any part of the Work.

18.2.5 The rights and remedies provided in this GC 18.2 are in addition to the rights and remedies provided by the Law, or under any other provision of the Order.

18.3 Whether termination occurs under GC 18.1 or GC 18.2, the following will apply:

- a) Supplier shall discontinue the terminated Work in accordance with the Notice, while continuing to perform any Work not terminated and, as necessary or desirable, shall take steps to minimize the costs to Company associated with the termination, terminating the Work in a safe, cost effective and timely manner;
- b) Company may immediately take possession of the Work and the Deliverables and use them to complete the Work, whether by itself or by award of contract(s) to Other Suppliers;
- c) Supplier shall deliver all Deliverables and other items required by Company and shall take all steps required to assign and fully vest the rights and benefits under existing agreements with Subcontractors to Company from Supplier; and
- d) GC 8 will survive the termination, with the warranty commencing on, and applying to Work performed at, the date of termination.

18.4 Termination of the Order by Company will not limit, alter or invalidate any right of action Company has at the date of termination or any other right or remedy Company has in the event of Supplier's default and the resulting termination of the Order.

## **19. COMPENSATION**

19.1 The Contract Price is specified in the Order and may be made up of: lump sum prices for specified Work; unit rates for specified elements of Work; reimbursable (time & materials) costs (i.e. Personnel and Equipment rates, plus Materials costs); or a combination of those compensation methods.

19.2 As part of stated rates and pricing, the Contract Price includes all costs incurred by Supplier in performance of the Work. No separate or additional monies will be paid by Company to Supplier, unless noted in the Order, or under a Change Order or Change Directive.

19.3 Unless specifically covered in the Order by a tiered rate compensation structure or escalation method (pre-set or index linked), no increase in the rates provided by Supplier will be accepted by Company, regardless of whether measured or delivered quantities of Work vary from any amount estimated before execution of the Order.

#### 19.4 Invoicing

19.4.1 Each invoice shall identify the following information and will not include any amount for Work, Equipment or Materials not supplied and received at the Worksite:

- i) Invoice number;
- ii) Supplier federal GST number;
- iii) Date of the invoice –written out, spelling the month: numeric formats may cause delays;
- iv) Supplier legal name, as stated in the Order;
- v) Company legal name, as stated in the Order;
- vi) Supplier fiscal address – if “remit to address” is different please specify;
- vii) Supplier invoicing contact name, title, telephone number and e-mail address;
- viii) Order number;
- ix) Order line item number, which should reference the service or material master number;
- x) Change Order number, if applicable;
- xi) Date(s) of Work;
- xii) Description of the Work, as detailed in the Order;
- xiii) Quantity of Work provided;
- xiv) Unit price of each item, as detailed in the Order;
- xv) Total value of the Work;
- xvi) Separate detail of any deductions of price or remuneration, discounts, credits or holdbacks;
- xvii) Clear statement of the sub total, net taxable price, subject to application of GST;
- xviii) Currency of the invoice;
- xix) GST owing (5%); and
- xx) total amount invoiced, i.e. the combined amount of the Work and GST, representing the total amount to be paid.

19.4.2 All invoices shall be accompanied by supporting documents that substantiate the Work included in the invoice to Company’s satisfaction. Supporting documentation must clearly reconcile to the items listed in the invoice body or a revision will be required. Where appropriate, invoice supporting documentation shall include:

- i) name and position of Person performing the Work, hours worked, task Work was performed in relation to, rate for position and countersigned timesheets;
- ii) specification / identification number in respect of Equipment, run/deploy time, rate for Equipment item and countersigned timesheets;
- iii) packing list and signed delivery ticket / Materials receiving report, in respect of Materials;

- iv) legible copies of all Subcontractor invoicing, which much include reference to Company and the Order number, with any Supplier markup permitted under the Order clearly and separately stated; and
- v) all documents (for example, requisitions, emails or other correspondence) demonstrating Company's approval of invoiced charges.

19.4.3 Supplier shall submit invoices in a format acceptable to Company no more than 45 days after the applicable month end for Work performed in each calendar month (or on completion of the Work). It is Supplier's responsibility to ensure correct billing rates and accuracy of all invoices.

19.4.4 Supplier's invoice shall indicate applicable sales and use taxes as separate amounts, Seller's fiscal registration number, the net taxable value (including all applicable discounts) and shall clearly identify any amounts which are subject to non-resident withholding provisions under the Income Tax Act (Canada), to facilitate Company's withholding and submission to fiscal authorities on Supplier's behalf.

19.4.5 Unless otherwise directed by Company in writing, invoices will be: emailed as a pdf attachment to "invoices@PetroChinaCanada.com" AND carbon copy the PetroChina Canada Personnel listed in the "Issued By" field in the Order; or mailed "Attention: Accounts Payable" to Company's address for invoices in the Order.

19.4.6 Invoices should always be sent under separate cover from any other correspondence with Company. All queries on invoice status should be submitted to "accountspayable@PetroChinaCanada.com", ensuring always that the Order number is quoted on all correspondence.

19.4.7 Any invoice received more than 90 days after performance of the related Work will be rejected and Company will have no obligation or liability to render payment in respect of that Work.

## 19.5 Payment

19.5.1 Company shall remit payment no more than 45 days after approval of an invoice received in accordance with the Order (the "**Payment Period**").

19.5.2 Accrual of time under the Payment Period shall be placed on hold during the period taken to resolve any Dispute in respect of an invoiced amount and non-payment by Company of an invoice subject to a Dispute shall not alleviate, diminish or modify in any respect Supplier's obligations to perform as required by, and in accordance with, the Order. Any submitted invoice which fails to meet Order requirements will be rejected and the period for payment of the invoice will only be triggered once a compliant invoice is subsequently re-submitted.

19.5.3 For Work performed on a reimbursable (time & materials) basis, expenses incurred shall be reimbursed at cost, subject to approval in writing by Company prior to the expenses being incurred. Original receipts for the expenses claimed, along with any third party invoices, shall be provided with the invoice.

19.5.4 Payment terms in all third party purchase orders or contracts submitted by Supplier for Company's reimbursement shall specify 45 day payment terms from approval date of Supplier's invoice. On receipt of all third party invoices, Supplier must verify and submit to Company for payment those original invoices with its applicable invoicing.



## 19.6 Final Payment

Subject to GC 19.7 and on receipt of a valid invoice for final payment from Supplier, Company shall make final payment to Supplier of amounts certified as due by Company on the following conditions:

- a) Supplier has submitted the following:
  - i) a WCB "Letter of Clearance", stating that Supplier's account is in good standing and WCB assessments in relation to the Work have been paid;
  - ii) a release and certificate of final payment, in a form available from Company on request, which includes: final sum payable; the date Supplier completed the Work; and an acknowledgement of full payment of all payrolls, other similar indebtedness and all other sums and obligations incurred by Supplier in carrying out the Work; and
  - iii) all Deliverables required to be delivered in accordance with the Order; and
- b) no Claims have been, or could be, made against Company for performance of the Work by any Person other than Supplier.

## 19.7 Set Off & Withholding

19.7.1 Company may set off at Law any amount owing from Supplier to Company against any amount due or owing to Supplier with respect to the Order.

19.7.2 If there are any Defects, any Work is not performed or any Claim is made against Company, Company may withhold from and offset against any payment due or becoming due to Supplier under the Order those amounts Company determines are sufficient to cover the cost of remedy, completion or resolution, until the Defects are remedied, that Work is completed or the Claim is resolved. The value of remedy, completion or resolution shall be estimated by Company and a value equal to three times that amount may be withheld from payment. Subject to Company's other rights, any balance of the holdback amount shall be paid to Supplier after remedy of the applicable Defects or completion of the outstanding Work.

## 20. TAXES

20.1 Supplier shall be responsible for ensuring each member of Supplier Group pays, in compliance with the Law, all taxes in relation to the Order and the Work and the costs of all contributions, assessments and deductions in respect of Supplier Group Personnel.

20.2 Supplier shall indemnify Company Group from all Claims made or assessed against Company Group in respect of taxes for which Supplier is responsible. Any interest, penalties or other liabilities arising from Supplier's failure of its obligations in this GC 20 shall be the sole responsibility of, and be paid for by, Supplier.

20.3 All payments by Company to Supplier under the Order shall be subject to any requirement under applicable Laws to withhold and remit taxes with respect to such payment.

## 21. LIENS

21.1 Supplier shall not allow any lien or charge to be registered against the Work or any Company property as a result of failure by Supplier to pay any *bona fide* Claims (including Personnel wages and Subcontractor invoices) in respect of the Work and Supplier shall indemnify Company against all applicable charges and liens.

- 21.2 No assignment to any other Person by Supplier of any payment due to Supplier shall have any force or effect until all *bona fide* Claims incurred in connection with the Work have been completely discharged.
- 21.3 If Supplier fails to discharge a Claim as described in GC 21.1 when notified by Company in accordance with the Law, Company may, but will not be obliged to, discharge or otherwise deal with the Claim and Supplier shall reimburse all costs and expenses incurred by Company in doing so.
- 21.4 If Company becomes aware of a potential Claim affecting title to the Work or any other Company property, Company has the right, but not the obligation, to:
- a) withhold all payments from Supplier until the potential Claim has been discharged, released or removed; and
  - b) discharge or otherwise deal with the Claim and Supplier shall reimburse all costs and expenses incurred by Company in doing so.

## **22. AUDIT**

- 22.1 Supplier shall preserve the Records in accordance with International Financial Reporting Standards and, on ten Business Days' Notice from Company, allow representatives of Company to review the Records at all reasonable times during performance of the Work, and for a period of two years after completion of the Work, for the purposes of verifying: Supplier's compliance with all terms of the Order; any Claims; and all Work performed and payments made for the Work.
- 22.2 Any errors or discrepancies disclosed by an audit shall be made by Notice from Company to Supplier, no more than 90 days after the later of: completion of the applicable audit; and completion of the Work. Supplier shall respond in writing to any errors or discrepancies no more than 180 days after receipt of Notice. If Supplier disputes a claim, Supplier shall include a detailed explanation with its response. If Supplier agrees with a claim, Supplier shall settle any difference through a payment to Company, no more than 30 days after issuing its response.
- 22.3 If an audit discloses an:
- a) overpayment to Supplier, within 20 Business Days Supplier shall reimburse Company the amount of the overpayment, plus interest at Prime Rate from the date of the overpayment to the date of reimbursement; or
  - b) underpayment to Supplier, within 20 Business Days Company shall pay the outstanding amount plus interest at the Prime Rate from the date of the underpayment to the date of reimbursement.
- 22.4 The costs of any audit shall be borne by Company unless the audit discloses an overpayment of more than 3% of the total amounts paid to Supplier under the Order for the audited period, in which case the costs of the audit shall be paid by Supplier.
- 22.5 Company's rights pursuant to this GC 22 with respect to reviewing Records and payments to Supplier will not extend to review or audit of the make-up of any fixed price, lump sum or cost multiplier, provided Company is entitled to verify:
- a) quantities associated with a unit fixed price or unit rates;
  - b) quantities related to a Change Order lump sum price determined using rates in the Order; and
  - c) make-up of any Change Order modifying any lump sum price.

- 22.6 As permitted by Section 7 of the Limitations Act (Alberta), each limitation period under that Act applicable to a Claim arising in connection with an audit will be extended to two years beyond the end of the audit period set out in GC 22.1, and Supplier shall ensure contractual agreements with all Subcontractors allow for this extension. Each Party waives the benefit of the limitations period under the Act for any Claim sought within the extended period.

## **23. LIABILITY**

### **23.1 Interpretation**

- 23.1.1 This GC 23 will govern over all other provisions of the Order.
- 23.1.2 All releases and indemnities provided in the Order will apply to, bind and extend to the benefit of each member of Company Group and Supplier Group, as applicable.
- 23.1.3 When giving an indemnity under the Contract, Supplier provides each member of Company Group, as applicable, with: the right to full compensation for losses actually sustained; and the right to be held harmless from Claims against Company Group. No indemnity is waived, limited or modified by acceptance of any insurance policy.
- 23.1.4 Where a release is given, it: waives all rights of legal recourse otherwise available to the Person giving that release to pursue those obligations; and removes the liability obligations otherwise imposed on the recipient of that release.
- 23.1.5 Releases and indemnities provided in the Order apply whether a Claim arises by breach of contract, breach of duty (statutory or otherwise), negligence or any other legal theory, but only in connection with rights and obligations arising from the Order.

- 23.2 Supplier shall be liable for, and shall release and indemnify each member of Company Group from and against: any Claim in respect of any personal injury sustained or alleged; and any Claim of physical damage to or loss of Equipment or any other real or personal property, whether owned, rented, leased, on hire or otherwise held, including environmental contamination of or by such property, to the extent a member of Supplier Group causes or contributes to the Claim in connection with, or arising from performance, of the Work.
- 23.3 Each Party releases the other Party from all Claims for Consequential Losses arising between them, except for Consequential Losses arising from or related to a Claim regarding: Consequential Losses of a third party arising from a third party Claim as against one Party, for which the other Party may be responsible or liable; or Supplier's obligation to perform the Work in accordance with GCs 13 or 14, which are not released.
- 23.4 Supplier shall defend any Claim under GC 23 on behalf of Company Group and, at Supplier's sole cost, Company shall assist Supplier in defending, settling or mitigating the Claim. Supplier is not permitted to settle or compromise any Claim without the prior written consent of Company, if that settlement or compromise: causes Company to part with any property right or interest, assume any obligation or make any payment not indemnified; or subjects Company to any injunction.

## **24. INSURANCE**

- 24.1 Without limiting any obligations and liabilities under the Order, at its sole cost and in addition to insurance coverage required by Law in respect of the Work, Supplier shall obtain, and maintain during the term of the Order (and after, where applicable), insurance of types, and with limits of liability, stated below.

#### 24.1.1 Commercial General Liability Insurance

- i) Supplier shall obtain and maintain commercial general liability insurance with a limit of not less than \$5,000,000 per occurrence, to cover third party legal and contractual liability for personal injury and property damage arising out of or in connection with Supplier's performance under the Order. The limit required may be provided through a combination of Supplier's commercial general liability insurance, umbrella and/or excess liability insurance.
- ii) The commercial general liability insurance policy shall name Company Group as additional insureds, and waive all rights of subrogation against Company Group to the extent of releases or indemnities provided, or other obligations assumed, by Supplier in the Order and will include a cross liability clause which has the effect of insuring each entity named as an insured in the policy to the same extent as if a separate policy had been issued to each.
- iii) The commercial general liability insurance shall take the form of an occurrence basis policy and not a claims-made policy.

#### 24.1.2 Automobile Public Liability and Property Damage Insurance

Supplier shall obtain and maintain automobile public liability and property damage insurance in an amount not less than \$2,000,000 all inclusive, covering the ownership, use or operation of any motor vehicles and trailers which are owned, leased or controlled by Supplier and used in connection with the Order. The limit required may be provided through a combination of Supplier's automobile public liability and property damage insurance, umbrella and/or excess liability insurance.

#### 24.1.3 Supplier Property Insurance

Supplier shall obtain and maintain "All Risks" insurance on a replacement value basis covering Supplier's property, including Equipment and other property owned, hired, leased or used by Supplier in connection with the Work, covering physical loss or damage.

#### 24.1.4 WCB

- i) Supplier shall ensure that all members of Supplier Group performing Work in Canada are registered for WCB coverage, regardless of whether coverage is required by applicable Law.
- ii) Supplier shall ensure any assessment or contribution required under WCB legislation is paid and shall indemnify Company from all WCB assessments in respect of performance of Work. Failure by Supplier to make or cause payment will render Supplier in breach of contract and Company may withhold the amount of any assessment or contribution from the Contract Price, in addition to any other rights it may have at Law or under the Order.
- iii) Supplier shall obtain and maintain employer's liability insurance for all individuals who are not covered by WCB insurance.

- 24.2 To the extent the insurance does not provide coverage to other members of Supplier Group, Supplier shall ensure other members of Supplier Group, at no additional expense to Company obtain and maintain coverage equivalent to the insurance and comply with all other obligations in relation to insurance in any Order.

- 24.3 Neither failure to comply, nor full compliance, with insurance provisions in the Order will limit or relieve Supplier from its liability or indemnity obligations in the Order.
- 24.4 Supplier's insurance will not be: permitted to lapse; cancelled; materially altered; or amended, without 30 days' prior written Notice to Company. Supplier shall notify Company immediately it becomes aware of imminent lapse or cancellation of any insurance, and immediately reinstate or replace any insurance which lapses.
- 24.5 Supplier shall be responsible for all deductibles, retentions and exclusions under insurance policies. Insurance will not be subject to deductibles or terms which vary from amounts that a prudent, comparable business entity would consider reasonable.
- 24.6 Insurance shall take the form of an occurrence basis policy and not a claims-made policy, except where general insurance practice is to the contrary.
- 24.7 Before Work is performed under the Order and subsequently on Company's request, Supplier shall provide Company with a copy of certificates of insurance.
- 24.8 If either Party becomes aware of any incident related to the Work that may give rise to a Claim under any insurance, that Party shall notify the other Party as soon as possible and both Parties shall co-operate fully in investigating the incident.

## **25. INDEPENDENT CONTRACTOR**

Supplier is an independent contractor in all respects and no member of Supplier Group will be deemed for any purpose to be an employee, agent or representative of Company in performance of the Work or otherwise under the Order. No member of Supplier Group has authority to make any statement, representation or commitment, or to take any action, which may bind Company.

## **26. COMPLIANCE WITH LAW**

### **26.1 Governing Law**

- 26.1.1 The Order is governed by and construed in accordance with the Laws of Alberta and applicable federal Laws of Canada and, subject to GC 27, the Parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta and applicable courts of appeal from them.
- 26.1.2 The application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded.
- 26.1.3 If a court of competent jurisdiction determines any provision of the Order is invalid or unenforceable, that will not affect the validity or enforceability of the remaining provisions.
- 26.1.4 Reference to a statute includes regulations and other subordinate legislation made pursuant to that statute and includes any amendment, consolidation, re-enactment, substitution or replacement of all or any part of the statute, regulation or subordinate legislation, as may be enacted from time to time.
- 26.1.5 References to applicable codes, standards or regulations are deemed references to the edition applicable on the Order Date, unless stated otherwise. If changed or new applicable codes, standards or regulations subsequently come into force, Supplier shall submit a Notice for compliance to those codes, standards or regulations to Company. Any resulting change in the Work, Work Schedule or Contract Price will be dealt with under GC 6.

26.1.6 No provision of the Order shall be interpreted or applied so as to require Company or Supplier to do, or refrain from doing, anything which would constitute a violation of, or result in a loss of economic benefit under, anti-competition, anti-corruption, anti-boycott or other applicable export Laws.

## 26.2 Permits and Approvals

26.2.1 At its sole cost and expense and in a timely manner, Supplier shall obtain from Governmental Authorities or other Persons those licences, permits, certifications, registrations and approvals required by Law or the Order to perform the Work, except those licences, permits, certifications, registrations and approvals stipulated in the Order to be obtained by Company.

26.2.2 Supplier shall provide evidence to Company of possession of applicable permits, and shall post copies of permits at the Worksite, as required by Law.

## 27. DISPUTE RESOLUTION

27.1 All Disputes arising in relation to the Order, including any Disputes respecting any matter of interpretation of the provisions of the Order, shall be resolved pursuant to this GC 27.

### 27.2 Negotiation

27.2.1 If a Dispute is not resolved by dialogue between Company Representative and Supplier Representative, the Party initiating the Dispute shall give Notice to the other Party, outlining the relevant information concerning the Dispute in reasonable detail. No more than five Business Days after receipt of a Notice in respect of a Dispute, the Negotiators from both Parties shall meet and attempt to resolve that Dispute.

27.2.2 If that Dispute is not resolved after the expiry of twenty Business Days after the Business Day of issue of the Notice, or any extended period as may be agreed to in writing by the Parties, the negotiation is deemed to have failed and that Dispute shall be referred to final and binding arbitration, conducted in accordance with the remainder of this GC 27.

27.2.3 All negotiations under this GC 27 are performed "without prejudice" in furtherance of settling a Dispute. Accordingly, the Negotiators, and any other participants involved in the negotiations, cannot be subpoenaed or otherwise compelled to give evidence in respect of the content of the negotiations in arbitration or any other proceedings arising in relation to that Dispute.

### 27.3 Arbitration Procedures

27.3.1 Any arbitration under this GC 27 shall be conducted pursuant to the Rules for Arbitration of CCDC 2 Construction Disputes, available on Company's website and included by reference in the Order, as expressly amended, varied or supplemented by the Order (the "**Arbitration Rules**").

27.3.2 In the event of any conflict between the Arbitration Rules and the Arbitration Act (Alberta) R.S.A. 2000 c. A-43 (the "**Arbitration Act**"), the Arbitration Rules will prevail, subject to the provisions of section 3 of the Arbitration Act.

27.3.3 References to the following terms in the Arbitration Rules shall be deemed, for all purposes, to be amended as follows:

- i) "the Contract" shall mean the Order;
- ii) "Place of the Work" shall mean the Worksite;
- iii) "law" shall mean the governing Laws of the Order; and



- iv) there shall be no neutral appointing authority.
- 27.3.4 All arbitration proceedings shall be conducted in the English language in Calgary, Alberta, unless the Parties agree otherwise in writing.
- 27.3.5 Any decision or award of the arbitrator or arbitral panel shall be final and binding on the Parties as to the questions submitted and the Parties shall have no right of appeal from arbitration, including the right to appeal to a court on a question of law, a question of fact or a question of mixed fact and law.
- 27.3.6 Except with the prior written consent of the other Party, or as otherwise required by Law, each Party shall:
  - i) keep all information related to arbitration confidential, including the subject matter of the Dispute, the result of arbitration, the award and all documents and other materials obtained from the other Party; and
  - ii) not use any information related to the arbitration for any purpose collateral to the arbitration. Each Party shall be responsible for ensuring that its employees, officers, witnesses and consultants comply with the confidentiality obligations of this GC 27.
- 27.4 While a Dispute remains unresolved, except as otherwise permitted by this Order or if Company issues a Notice that specified obligations are suspended pending resolution of the Dispute, each Party shall continue to fulfill its obligations under the Order in a timely manner.
- 27.5 Supplier shall ensure that all agreements entered into with Subcontractors include dispute resolution provisions that are materially similar to this GC 27.