



Canadian Natural

PURCHASE ORDER

TERMS & CONDITIONS

1 DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** Capitalized words used in this Agreement have the following meaning ascribed to them:

Affiliate means any Person which controls, or is controlled by, or which is controlled by a Person which controls, a Party to this Agreement. "**Controls**" and "**Controlled**" for the purposes of this definition means the direct or indirect ownership of fifty (50%) percent or more of the voting rights in a Person or control in fact of the other Person;

Agreement means the Cover Document, these Terms & Conditions, and all Schedules;

Applicable Laws means, with respect to Goods, Services, Work, a Person or property, any law, treaty, statute, ordinance, regulation, judgment, decree, injunction, writ, approval, exemption, license, permit, authorization, consent, directive, by-law, code, policy, rule, decision or order which are enacted, made, issued or granted by any governmental authority having jurisdiction in respect of the Goods, Services, Work, Person or the property;

Canadian Natural means the Purchaser specified on the cover page of this Agreement;

Canadian Natural Assets means real property and fixed tangible depreciable assets (including, without limitation, facilities, offices and mobile mining and processing equipment) used for drilling, mining, exploration, extraction, refining, developing, production, processing, gathering, dehydrating, measuring, transporting, making marketable, storage, or treatment of oil, natural gas, related hydrocarbons or substances produced in association with them or other operations respecting Canadian Natural Group business;

Canadian Natural Group means Canadian Natural and its Affiliates and Personnel thereof and, where applicable, may mean any one of them;

Claim means any and all debts, costs, expenses, liabilities, obligations, losses and damages, fines, penalties, proceedings, actions, suits or claims of whatever nature or kind, including regulatory or administrative, and whether or not any of the foregoing are under common law, on the basis of contract, negligence, strict or absolute liability or liability in tort, or arising out of requirements of Applicable Laws, imposed on, incurred by, suffered by, or asserted against any Person or any property, absolute or contingent and, except as otherwise expressly provided herein, includes all reasonable out-of-pocket costs, disbursements and expenses paid or incurred by such Person in defending any action and, in the case of a claim related to Taxes, all interest, penalties, additions to Taxes or additional amounts imposed by any Governmental Authority;

Common Resources means collectively those supplies, materials, services and equipment (and associated materials, supplies and tools) provided by a Canadian Natural site supplier and any facilities made available for use by Contractor in the performance of the Work or to facilitate the performance of the Work as specified in Schedule H (Common Resources);

Contractor means the Party identified as such in the Cover Document;

Contractor Group means Contractor, its Affiliates and subcontractors of any tier and Personnel thereof and, where applicable, may mean any one of them;

Cover Document means that document to which these Terms and Conditions and the Schedules are attached;

Delivery Date means the date or dates of delivery of the Goods and Services as set forth in this Agreement;

Delivery Point means the point or points of delivery of the Goods and Services as set forth in this Agreement or in the case of services, the location where services are provided;

Force Majeure means the effective occurrence of any act or event which is insurmountable, is outside the reasonable control of the Party which invokes it, and which could not have been avoided by the exercise of reasonable diligence and at reasonable cost, thereby rendering such Party unable to comply totally or partially with its obligations under this Agreement, except the obligation to pay amounts due pursuant to this Agreement prior to the occurrence of Force Majeure and including, if the foregoing criteria are satisfied, acts of God, hostilities or acts of war (whether declared or not), acts of terrorism, riots (excluding acts by, between or originated among Personnel of Contractor Group), civil or military disturbances, national, regional or provincial strikes (excluding strikes, lock-outs and other labour disputes or actions by, between or originated among Personnel of Contractor Group), and acts of any governmental authority whether or not legally valid. Force Majeure does not include insolvency of any Party, lack of availability of manpower or materials or equipment (unless those are a direct result of an event which is otherwise a Force Majeure event), lack of finances or inclement weather;

Goods means those good(s) (including any parts thereof) to be purchased pursuant to this Agreement and includes any goods provided or associated with the Services;

Parties means Canadian Natural and Contractor, and **Party** means either of them;

Person means an individual, a partnership, a corporation, a limited or unlimited liability company, a trust, an unincorporated organization, a union, a government or any department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual;

Personnel means the officers, directors, employees and agents (including any individual hired as a consultant and agency staff hired through an employment or other agency) of the Person or Persons identified herein, and, where applicable, may mean any one of them;

Project means the undertaking comprised of lands, structures, facilities and other tangibles developed, constructed by and to be constructed by Canadian Natural as further described in the Cover Document or Schedule A as the "**Project**";

Schedules means the schedules attached to and forming part of this Agreement together with the documents attached and referred to therein;

Services means any and all services to be purchased pursuant to this Agreement;

Specifications means the specifications for the Goods and Services set forth in the Cover Document or Schedule A;

Third Party means any Person other than a member of Canadian Natural Group or Contractor Group;

Warranty Period means collectively the Goods Warranty Period and the Services Warranty Period which are each set forth in Article 7 and, where applicable, may mean any one of them;

Work means any and all work required to be performed by Contractor to provide the Goods or Services purchased by this Agreement.

- 1.2 Unless expressly stated otherwise, “days” shall mean consecutive calendar days and “months” shall mean consecutive calendar months. Dates written in numeric form shall be deemed to be MM/DD/YYYY.
- 1.3 If the Purchaser specified under this Agreement is Canadian Natural Upgrading Limited then references to "Canadian Natural Resources Limited" in any Schedules or document attached to or incorporated herein shall be deemed to mean or include Canadian Natural Upgrading Limited unless the context requires otherwise.

1.4 **Order of Precedence**

If there is a conflict or inconsistency among or between the documents comprising this Agreement, the order of precedence from highest to lowest shall be:

- 1.4.1 Cover Document;
- 1.4.2 Terms and Conditions;
- 1.4.3 Schedules.

2 **TRANSACTION**

- 2.1 Canadian Natural hereby orders the Goods and Services from Contractor, in accordance with, and subject to, the terms and conditions of this Agreement.
- 2.2 Contractor agrees to supply the Goods and Services to Canadian Natural at the Delivery Point on the Delivery Date in accordance with, and subject to, the terms and conditions of this Agreement.
- 2.3 The Terms and Conditions set forth in this Agreement are the only conditions upon which Canadian Natural is prepared to deal with Contractor and they shall govern the order placed pursuant to this Agreement to the entire exclusion of all other terms or conditions. Each order for Goods and Services hereunder shall be deemed to be an offer by Canadian Natural to purchase Goods and related Services subject to these Terms and Conditions and no order shall be accepted until Supplier accepts the offer either expressly by giving notice of acceptance or impliedly by fulfilling the order, in whole or in part. Without limiting the foregoing, any pre-printed terms and conditions originating on documents from Contractor shall not replace, supercede, modify or amend the terms of this Agreement.

3 **PRICE AND PAYMENT TERMS, TAXES, CUSTOMS AND DUTIES**

3.1 **Price:**

Unless otherwise set forth in Schedule B (Compensation), Canadian Natural shall pay for the Goods and Services at the prices and on the terms set forth in the Cover Document. Unless otherwise stated, all prices are in Canadian currency (“CDN”).

3.2 **Payment:**

Unless otherwise set forth in Schedule B (Compensation), Canadian Natural shall pay all invoices within the period of time set forth in the Cover Document under the title “Payment Terms” following receipt by Canadian Natural of:

- 3.2.1 a complete and correct invoice from Contractor; and
- 3.2.2 the Goods and Services which conforms to this Agreement, including, without limitation, the Specifications.

3.3 **Taxes:**

- 3.3.1 All prices set forth in this Agreement are:
- 3.3.1.1 exclusive of any goods and services tax or other similar value-added or sales taxes, fees, charges or levies imposed on the sale of the Goods and Services pursuant to Applicable Laws; and
 - 3.3.1.2 unless otherwise expressly set forth in the Cover Document or a Schedule, inclusive of customs duties, import and export charges, tariffs, and similar taxes, fees, charges and levies imposed by Applicable Laws on the manufacture, sale and transportation of the Goods and Services to the Delivery Point.
- 3.3.2 Goods and services taxes and other similar value-added or sales taxes, fees, charges and levies imposed by a governmental authority of Canada on the sale of the Goods and Services pursuant to Applicable Laws shall be shown as separate items on all invoices and paid by Canadian Natural in accordance with the provisions of this Agreement. Contractor shall pay all remittances of such goods and services taxes and other similar value-added or sales taxes, fees, charges and levies, in accordance with Applicable Laws.
- 3.3.3 Notwithstanding paragraph 3.3.1.2 all Canadian duty charged on the Goods and Services to the Delivery Point shall be shown as a separate item on all invoices.
- 3.3.4 Unless otherwise expressly set forth in the Cover Document or a Schedule, all freight charged on the transportation of the Goods to the Delivery Point shall be shown as separate items on all invoices.
- 3.3.5 Subject to sub-Section 3.3.2, Contractor shall be liable for and responsible for payment of all taxes imposed by Applicable Laws on Contractor and on the manufacture, sale and transportation of the Goods to the Delivery Point, including without limitation, income taxes, profits taxes, capital taxes, sales and use taxes, goods and services taxes, ad valorem taxes, excise taxes, franchise taxes and similar taxes and amounts; and when importer of record, customs duties, import and export charges.
- 3.3.6 Contractor shall be liable for and responsible for payment of any and all penalties, fines, interest and other similar amounts imposed by Applicable Laws on Contractor with respect to taxes and other amounts payable by Contractor set forth in this Section 3.3 and shall indemnify and save harmless Canadian Natural from and against any Claims relating to the same.

3.4 **Withholding Taxes:**

Canadian Natural may, if required by Applicable Laws, deduct or withhold from any payment made under this Agreement any such amounts that are required to be deducted or withheld in respect of taxes under Applicable Laws and shall remit such amounts to the relevant governmental authority.

3.5 **Backcharges**

Canadian Natural may, in addition to any other amounts to be retained or withheld under this Agreement, retain from any sums otherwise owing to Contractor, amounts sufficient to cover all costs incurred by Canadian Natural in respect of Contractor's failure to comply with any provision of this Agreement.

3.6 **Customs Clearance into Canada**

- 3.6.1 Contractor, when the importer of record, shall be responsible for preparing and issuing the documents required for any importation required in relation to the Goods and customs clearance therefore and shall submit in due time to customs authorities (and to Canadian Natural as required by Canadian Natural) any and all documents so required. Contractor shall indemnify, defend and hold harmless Canadian Natural from the consequences of any errors or omissions in documents prepared and submitted by Contractor to applicable governmental authorities resulting in failure of

customs authorities to levy the correct amount in respect of duties, tariffs or taxes, or any failure to provide timely authorizations or to carry out inspections in a timely manner as a result of such error or omission.

- 3.6.2 In the event Contractor is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), is not a registrant under the *Excise Tax Act* (Canada) or does not carry on business through a permanent establishment located in Canada, the Canadian Natural shall act as importer of record. Contractor shall contact Canadian Natural's customs broker and shall supply all documentation required by Canadian Natural's customs broker, including but not limited to, applicable NAFTA certificates of origin, no later than seven (7) business days prior to shipment of any part of the Goods.
- 3.6.3 In the event Contractor is a resident of Canada within the meaning of the *Income Tax Act* (Canada), is a registrant under the *Excise Tax Act* (Canada) and does carry on business through a permanent establishment located in Canada, Contractor shall act as importer of record.
- 3.6.4 Contractor, when the importer of record, shall strictly comply with all applicable requirements and procedures of governmental authorities, including relevant customs authorities and Canada Border Services Agency, to obtain customs clearance for the importation, exportation or re-exportation of any part of the Goods, the Goods, construction equipment or items owned by Canadian Natural under Contractor's custody. Contractor shall be responsible for obtaining the complete relevant detailed procedure from appropriate governmental authorities.
- 3.6.5 Contractor, when the importer of record, shall be responsible for identifying and obtaining in its own name any import and export licences required in any places where the work is to be performed for any parts of the Goods, including items owned by Canadian Natural.
- 3.6.6 Contractor, when the importer of record, shall have full and sole responsibility for the payment of any and all penalties, fines, fees and liabilities imposed on Contractor or any of its Personnel for failure to pay required customs duties, tariffs and similar charges or to comply with Applicable Laws in respect of import procedures and shall indemnify, defend and save harmless Canadian Natural from any claims relating to the same.

4 **CHANGES, SUSPENSION AND CANCELLATION**

- 4.1 Canadian Natural reserves the right, upon written notice to Contractor, to make changes to the Specifications, to increase or decrease the quantity of the Goods ordered, to suspend performance of all or part of this Agreement or to cancel this Agreement for any reason.
- 4.2 Where notice is given of suspension or cancellation of the whole or part of the order, Contractor shall immediately cease work in accordance with and to the extent specified in the notice. All Goods completed and, subject to the following terms, materials or parts procured to the date of such notice shall be paid for by Canadian Natural and, unless otherwise specified by Canadian Natural, shall be delivered to the Delivery Point on the Delivery Date. Unless cancellation costs are stipulated in this Agreement, to the extent Contractor is not in default of any of its obligations under this Agreement, Contractor shall be entitled to payment for Goods delivered, services performed and costs reasonably and irrevocably incurred by Contractor to the date of cancellation. Any claim by Contractor for payment must be accompanied by supporting documentation satisfactory to Canadian Natural. If cancellation costs are stipulated, Contractor is entitled to receive those cancellation costs only. In no event shall Canadian Natural be liable for anticipated profit of Contractor for Services not yet performed or Goods not yet delivered.
- 4.3 In the case of any suspension of all or part of the work, Contractor shall promptly resume work upon receipt of written notice to continue such suspended work to the extent required in such notice.
- 4.4 Where notice is given to increase the order or change the Specifications, Contractor shall be entitled to be reimbursed for its additional costs provided it has obtained the Canadian Natural's prior written approval of those additional costs.

4.5 If any change to this Agreement or suspension of all or part of the order (including by reason of Force Majeure Event, as hereafter defined) impacts Contractor's ability to deliver the Goods on or by the Delivery Date, Canadian Natural and Contractor shall agree upon a new Delivery Date. If the Parties are unable to agree upon a new Delivery Date, Canadian Natural shall be entitled to cancel this Agreement.

5 **TITLE AND RISK**

Title to the Goods and all risk of loss or damage shall transfer to the Canadian Natural upon delivery of the Goods to Canadian Natural at the Delivery Point.

6 **DELIVERY, INSPECTION, REMEDIES**

6.1 **Delivery and Shipping**

Contractor shall deliver the Goods to the Delivery Point on the Delivery Date. Contractor shall arrange for and pay for shipping the Goods to the Delivery Point, and shall arrange for and pay for all packaging, labelling, crating and carting fees. Contractor shall be responsible for all shipping, customs and import costs, duties and levies associated with the transport of the Goods to the Delivery Point.

6.2 **Inspection and Acceptance**

6.2.1 All Goods shipped to the Delivery Point shall be subject to inspection and acceptance by Canadian Natural. Canadian Natural's inspection, failure to inspect or acceptance shall not relieve Contractor of any obligation under this Agreement.

6.2.2 In the event the Goods are found to not conform to the Specifications of this Agreement, in addition to any other rights or remedies available to Canadian Natural under law, equity or otherwise, Canadian Natural shall have the right to return the nonconforming Goods for a full refund, with all shipping and handling charges to be the responsibility of Contractor. Without limiting the foregoing, Canadian Natural shall have the right to require replacement, repair or correction of the nonconforming Goods rejected by Canadian Natural at Contractor's risk and expense within fourteen (14) days following written notice from Canadian Natural to Contractor to do so or within such other time period agreed to in writing by the Parties.

7 **WARRANTIES**

7.1 **Warranty - Goods**

7.1.1 Contractor represents and warrants to Canadian Natural that all Goods delivered and the delivery of all Goods by Contractor to Canadian Natural will:

7.1.1.1 be free and clear of any and all liens, charges or encumbrances;

7.1.1.2 not infringe the intellectual property rights of any person;

7.1.1.3 comply with all Applicable Laws (including without limitation, any applicable transportation of dangerous goods and occupational health and safety legislation, such as WHMIS requirements);

7.1.1.4 conform to the terms of this Agreement, including, without limitation, the Specifications;

7.1.1.5 be of at least equal to nationally or internationally recognized standards and codes;

7.1.1.6 be fit, sufficient and safe for their intended purpose, if such purpose is communicated to Contractor by Canadian Natural and if no such purpose is communicated, for their usual purpose; and

7.1.1.7 be of good and new material and workmanship and free from defects (including latent defects) of design, material, quality and title.

7.2 **Warranty Period - Goods**

7.2.1 Contractor warranties shall apply to the Goods for a period (the "**Goods Warranty Period**") that is the later of:

7.2.1.1 thirty-six (36) months from the actual date of delivery of the Goods to the Delivery Point; or

7.2.1.2 eighteen (18) months from the date the Goods are operating in accordance with the Specifications.

7.3 **Warranty - Services**

7.3.1 Contractor represents and warrants to Canadian Natural that all Services provided by Contractor will:

7.3.1.1 not infringe the intellectual property rights of any person;

7.3.1.2 comply with all Applicable Laws;

7.3.1.3 be performed with the skill, care and diligence of a prudent and experienced service provider in accordance with the best practices and standards of workmanship prevalent in the field or discipline; and

7.3.1.4 conform to the terms of this Agreement, including, without limitation, the Specifications.

7.4 **Warranty Period - Services**

7.4.1 Contractor's warranties shall apply to the Services for a period (the "**Services Warranty Period**") that is eighteen (18) months from the date the Services are provided, in accordance with the Specifications.

7.5 **Warranty Remedies & Rework - Goods and Services**

7.5.1 If Contractor fails to replace, repair or correct any defective Goods or Service within fourteen (14) days following written notice from Canadian Natural to Contractor to do so or within such other time period agreed to in writing by Parties, Canadian Natural reserves the right to make the necessary repairs or corrections or replace the Goods or Service at the sole expense of Contractor. Contractor shall remedy, at its own expense, without delay and in a manner satisfactory to Canadian Natural, any and all other damages caused as a result of such defective Goods or Services.

7.6 **Implied and Statutory Warranties**

7.6.1 THE WARRANTIES SET FORTH IN THIS AGREEMENT ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES WHETHER ORAL, IMPLIED OR STATUTORY. NO IMPLIED STATUTORY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE SHALL APPLY EXCEPT AS SPECIFIED IN THIS AGREEMENT.

8 **GENERAL LIABILITIES, INDEMNITIES AND INSURANCE**

8.1 Except as otherwise specifically set forth in this Agreement, Contractor shall be liable to Canadian Natural for and, as a separate and independent covenant, shall indemnify and save harmless Canadian Natural from and against, any and all Claims arising out of, or connected with:

8.1.1 the performance, non-performance or negligent performance by Contractor of its obligations under this Agreement except to the extent caused by the negligence or wilful misconduct of Canadian Natural; or

8.1.2 a breach by Contractor of its confidentiality obligations under this Agreement.

8.2 In no event shall either Party be liable to the other Party for any consequential losses. This limitation does not apply:

8.2.1 where the consequential loss is caused by Contractor Groups gross negligence, wilful misconduct, fraud, or liability to a Third Party as provided for in Section 8.5;

8.2.2 where the consequential loss is caused by Canadian Natural Group gross negligence, wilful misconduct, fraud, or liability to a Third Party as provided for in Section 8.5;

8.2.3 to a breach of the intellectual property rights of another Person or of confidentiality obligations hereunder; and

8.2.4 to the extent of Contractor's liability for liquidated damages, if any, under this Agreement.

8.3 Notwithstanding the other terms contained within this Article, Contractor waives all rights of recourse against Canadian Natural Group, and Contractor shall be liable for and, as a separate and independent covenant, shall indemnify, defend and hold harmless Canadian Natural Group from and against any and all Claims, made by Contractor Group for:

8.3.1 injuries to or disease or death of Contractor Group Personnel and;

8.3.2 damages to or loss of owned, hired or leased facilities, equipment, vessels, craft of all sorts and other personal property of Contractor Group including loss of use thereof,

howsoever caused, and without limiting the generality of the foregoing, including the negligence of Canadian Natural Group.

8.4 Notwithstanding the other terms contained within this Article, Canadian Natural waives all rights of recourse against Contractor Group and Canadian Natural shall be liable for and, as a separate and independent covenant, shall indemnify, defend and hold harmless Contractor Group from and against any and all Claims, made by Canadian Natural Group for:

8.4.1 injuries to or disease or death of Canadian Natural Group Personnel and;

8.4.2 damages to or loss of owned, hired or leased facilities, equipment, vessels, craft of all sorts and other personal property of Canadian Natural Group including loss of use thereof,

howsoever caused, and without limiting the generality of the foregoing, including the negligence of Contractor Group. This waiver excludes any (i) goods or services provided pursuant to this Agreement including Goods, Work, Services, (ii) Canadian Natural Assets, and (iii) items referred to in sub-Section 8.4.2 to the extent the same are or are intended to form part of the Canadian Natural Assets.

8.5 Notwithstanding the terms contained within this Article, each of the Contractor Group and the Canadian Natural Group (each a "**group**") waives all rights of recourse against the other group and agrees to

indemnify, defend and hold harmless the other group from and against any and all Claims made by Third Parties for damage to, or loss of Third Party property, and injury to or death of any Third Party, in each case to the extent caused by the indemnifying group, and arising out of or in relation to the performance of this Agreement.

8.6 Maximum Liability

8.6.1 The Contractor's maximum aggregate liability to Canadian Natural arising under this Agreement, whether arising in contract, tort (including negligence), strict liability or otherwise, shall be limited as follows:

8.6.1.1 for all Claims, with the exception of insurable events as indicated in sub-Section 8.6.1.2 below, is limited to the total Agreement price; or

8.6.1.2 for any Claims relating to an insurable event covered by the policies required to be provided by Contractor pursuant to Article 9 below, is limited to the maximum value of the applicable insurance indicated in Article 9 herein.

8.6.2 The limitations of liability set forth in sub-Section 8.6.1 above, shall not apply to (i) Contractor's liability for out of pocket legal costs, costs awarded and interest charges associated with a Claim, and (ii) Canadian Natural Group Claims for loss or damage caused by the Contractor's gross negligence, willful misconduct, fraud or liability to a Third Party (as provided for in Section 8.5).

8.7 Canadian Natural and Contractor acknowledge that certain of the indemnities and limitations of liability set forth in this Agreement are included not only for its own benefit but also for the benefit of the members of the Canadian Natural Group and the Contractor Group who are not Parties, and agrees such provisions may be enforced by such third party beneficiaries, or by Canadian Natural or Contractor as applicable on its behalf.

8.8 The liability and indemnity provisions, hereunder, shall survive the expiry or termination of this Agreement.

8.9 The Parties agrees that the foregoing liabilities and indemnities are reasonable and equitable.

9 INSURANCE

9.1 Insurance

9.1.1 During the performance of this Agreement and for the duration of the Warranty Period, Contractor shall maintain and cause any subcontractors to maintain:

9.1.1.1 Commercial General Liability Insurance covering the liability of Contractor for bodily injury (including death) and property damage (including loss of use of property) with a combined single limit of liability of five million dollars (\$5,000,000) per occurrence. Such insurance shall include, as a minimum, the following provisions: (A) broad form property damages, (B) blanket contractual liability, (C) contingent employer's liability, (D) sudden and accidental pollution liability and (E) products and completed operations cover;

9.1.1.2 in the event Services are being provided pursuant to this Agreement:

9.1.1.2.1 Workers' Compensation Insurance to comply fully with Applicable Laws and agreements made with employees;

- 9.1.1.2.2 Employer's Liability Insurance covering the liability of Contractor for employer's liability where workers' compensation insurance does not apply, with a required amount of five million dollars (\$5,000,000) in annual aggregate, or, if higher, the limit required by Applicable Laws to include cover for legal expenses anywhere in the world, or one of the other ways provided by Applicable Laws whereby an employer shall secure compensation to its employees to the extent required by law and agreement with employees. Such insurance shall be endorsed to the effect that claims formulated by Contractor's Personnel against Canadian Natural shall be treated as claims against Contractor and compensated by such insurance;
- 9.1.1.3 Automobile Public Liability Insurance covering all automobiles (including non-owned automobiles) and automotive equipment employed, if any, by Contractor (whether as owner or hirer or otherwise) in course of conduct under this Agreement for not less than the amount required by Applicable Laws or, if greater in sum, three million dollars (\$3,000,000) combined single limit per occurrence;
- 9.1.1.4 Marine Cargo Insurance, if applicable, covering the replacement value of any Goods in transit by water;
- 9.1.1.5 in the event aircraft and/or watercraft are used in the course of completing the Work:
 - 9.1.1.5.1 Aircraft Liability Insurance covering all aircraft including helicopters owned and/or employed, if any, in operations under this Agreement by Contractor and any aircraft operator chartered by Contractor for not less than a combined single limit of Five Million Dollars (\$5,000,000) or such amount equivalent to One Million Dollars (\$1,000,000) per passenger seat, whichever amount is the greater in respect of bodily injury and property damage liability to third parties including passengers and as required by Applicable Laws and/or international conventions; and
 - 9.1.1.5.2 Watercraft Liability Insurance covering all watercraft owned and/or employed, if any, in operations under this Agreement by Contractor for the amount of Five Million Dollars (\$5,000,000) in respect of general liability.
- 9.1.2 Contractor shall ensure that the insurance policy pursuant to paragraphs 9.1.1.1, 9.1.1.4 and 9.1.1.5 shall name Canadian Natural as an additional insured and a provision requiring the insurer to give Canadian Natural not less than thirty (30) days prior written notice of cancellation or material change.
- 9.1.3 At Canadian Natural's request, Contractor shall provide certificates of insurance evidencing that all the policies described in Section 9.1.1 are in effect; however, delivery to Canadian Natural of any evidence of insurance shall in no way relieve Contractor of its obligations under this Agreement. Contractor shall be solely liable to pay any deductible associated with any claim by Contractor or Canadian Natural under the foregoing insurance policies.

10 CANADIAN NATURAL POLICIES

10.1 **Health, Safety, Security and Environment:**

Contractor shall comply with, and shall require members of Contractor Group performing Work, to comply with, the health, safety, security and environmental protection provisions of Schedule G (Health, Safety and Environment and Prime Contractor).

10.2 **Prime Contractor**

10.2.1 Canadian Natural shall be the prime contractor unless Canadian Natural elects to temporarily turn prime contractor responsibilities over to Contractor or a third party in accordance with Schedule G (Health, Safety and Environment). If Canadian Natural elects to assign prime contractor responsibilities to Contractor, Canadian Natural shall notify Contractor in writing and the Parties shall enter into the Prime Contractor Agreement set out in Schedule G (Health, Safety and Environment). If Contractor is designated as prime contractor, Contractor shall adhere to prime contractor obligations and provisions provided by Schedule G (Health, Safety and Environment) and Contractor shall not designate any subcontractor to act as prime contractor without Canadian Natural's approval.

10.3 **Site Rules and Code of Business Ethics:**

At all times during the performance of the Work, Contractor shall ensure that Personnel in Contractor Group comply with Schedule I (Code of Integrity, Business Ethics and Conduct, and Human Rights Statement). Contractor shall comply with, and shall require Contractor Group performing Work to comply with Schedule C (Site Rules).

10.4 **Common Resources**

In the event that any Common Resources shall be made available by Canadian Natural to Contractor, the provisions of Schedule H (Common Resources) shall apply.

11 **LABOUR RELATIONS**

11.1 Contractor acknowledges that Canadian Natural has or may have one or more collective agreements in place for labour sources used on Canadian Natural sites and, to the extent applicable, Contractor shall be advised thereof prior to commencing any Work.

11.2 Canadian Natural wishes to ensure that labour harmony is maintained at each of its Work sites and Contractor shall, at all times, co-operate with Canadian Natural to achieve this harmony. Canadian Natural may, in its sole discretion, provide direction to Contractor with respect to specific labour relations matters that arise during the performance of this Agreement.

11.3 In order to facilitate labour harmony Contractor shall:

11.3.1 at all times and to the greatest extent practicable, exercise all reasonable efforts and judgement of a skilled and experienced contractor to manage its operations and adopt and implement policies and practices designed to avoid stoppages, slowdowns, disputes, strikes and similar dissonance in connection with the Work. Without limiting the generality of the foregoing, Contractor shall utilize all reasonable efforts to achieve and maintain stable labour relations, and avoid work stoppages and other labour disputes that may affect the performance of any Work by Contractor or another contractor or Canadian Natural relating to or arising from the Work performed by Contractor, or its subcontractors, or materials or equipment supplied for the Work by Contractor or its subcontractors;

11.3.2 use its best efforts to cooperate with Canadian Natural and other Persons performing work or supplying materials or equipment to any Work site in order to avoid labour disputes;

11.3.3 upon becoming aware thereof, immediately give notice to Canadian Natural of any actual or potential labour dispute or disruption that impacts or threatens to impact or may threaten to impact the performance of the Work and provide to Canadian Natural all relevant information with respect to such dispute or potential dispute; and

11.3.4 promptly advise Canadian Natural, in writing, if any employee or group of employees of Contractor engage in or attempt to engage in any work stoppages or work slowdowns of any kind in respect of the Work.

12 **INTELLECTUAL PROPERTY RIGHTS INDEMNITY**

Contractor shall indemnify Canadian Natural, its Affiliates, directors, officers, agents and employees, from and against any claim, demand, lawsuit, proceeding or action resulting from any allegation or charge that the Goods and Services or the use thereof for the purpose for which the Goods and Services is sold, constitutes an infringement of any intellectual property rights of any person. Canadian Natural shall promptly notify Contractor of any allegation or charge of infringement of which it becomes aware.

13 **FORCE MAJEURE**

13.1 **Force Majeure:**

If a Force Majeure event occurs, the Party affected shall promptly notify the other Party with evidence of the occurrence of the said event. The Party claiming Force Majeure shall give prompt notice once the end of the Force Majeure situation is foreseeable. The Party affected by Force Majeure and which has given such notice shall be excused from the performance of its obligations under this Agreement to the extent that such Party's performance is actually prevented, hindered or delayed.

13.2 **Duty to Remedy:**

Each Party shall do everything reasonably possible to minimize the effects of such Force Majeure.

14 **CONFIDENTIAL INFORMATION**

14.1 For the purpose hereof, the term “**Confidential Information**” means any and all information belonging to, in the possession of, licensed to, or under the control of the disclosing Party that a receiving Party directly or indirectly receives or acquires from the disclosing Party, in writing, verbally or through observation or through electronic means through the performance of the Work, including without limitation, information in this Agreement, information relating to the design, construction, operation, maintenance, performance, processes, cost, know-how, techniques, business and financial information. Confidential Information of Canadian Natural shall include all work product and other documents and information provided to Canadian Natural by Contractor in performance of the Work. Confidential Information does not include information:

- 14.1.1 that is now or becomes, through no fault of the receiving Party, generally known or available to the public;
- 14.1.2 that was known by the receiving Party without a breach of any existing confidentiality obligations before receiving the information from the disclosing Party; or
- 14.1.3 that is obtained by the receiving Party from a third party without breach of any obligation of confidentiality to any person.

14.2 A Party receiving Confidential Information of the disclosing Party shall hold and maintain such Confidential Information in confidence and shall not:

- 14.2.1 use any Confidential Information of the disclosing Party for any purpose except, in the case of Contractor as receiving Party for the sole purpose of performing the Work, and in the case of Canadian Natural as receiving Party for the sole purpose of completing, operating, maintaining and repairing the Work;
- 14.2.2 without the prior written consent of the disclosing Party, disclose any Confidential Information of the disclosing Party except to that limited number of members and Personnel in Canadian Natural Group or Contractor Group, as the case may be, including Personnel of the parties providing financial instruments, who need to know such Confidential Information for the sole purposes respectively set forth in paragraph 14.2.1; provided that such Person has assumed confidentiality

obligations identical in nature and principle to those in this Section 14.2 and receiving Party shall ensure that all Persons to whom it has disclosed the other Party's Confidential Information comply with such confidentiality obligations; or

- 14.2.3 copy or otherwise duplicate or reproduce (or permit any Person to copy or otherwise duplicate or reproduce) Confidential Information of the disclosing Party except for the sole purposes respectively set forth in paragraph 14.2.1 above.
- 14.3 The Parties each regard personal information (including any information about an identifiable individual) as confidential requiring the consent of the individual to whom such information relates to collect, use and disclose such information, except as otherwise provided by Applicable Law. In the normal course of business the Parties may collect, use and disclose personal information in accordance with Applicable Laws. Each Party requires all Persons who contract with such Party to abide by Applicable Laws. In the course of dealing with a Party ("Party A"), should the other Party ("Party B") intentionally or unintentionally gain access to personal information which has been collected by Party A, Party B must treat such information as strictly confidential and must not collect, use or disclose such information except as allowed by Applicable Laws. In addition to the sanctions and penalties which may be imposed by law, Party B will be liable to and shall indemnify, defend and save harmless Party A from any Claims, sanctions and penalties relating to Party B's improper collection, use or disclosure of personal information acquired through Party A in violation of such Applicable Laws.
- 14.4 A Party shall be entitled to disclose the other Party's Confidential Information to the extent required by an order issued by a court, or required by a regulatory body, of competent jurisdiction, or required by a stock exchange on which its shares or those of an Affiliate are traded, provided that Party shall:
 - 14.4.1 provide to the other Party immediate advance written notice of any such requirement for disclosure so that the other Party may seek a protective order or other appropriate remedy;
 - 14.4.2 consult with the other Party on the advisability of taking legally available steps to resist or narrow such order; and
 - 14.4.3 take such steps as are reasonably necessary and available to limit disclosure of the other Party's Confidential Information by and within the court, stock exchange or regulatory body.
- 14.5 Contractor acknowledges that it shall not have any right or licence with respect to Canadian Natural Confidential Information, other than as granted by, and within the express limitations imposed by the terms of, this Article.
- 14.6 Canadian Natural acknowledges that it shall not have any right or licence with respect to Contractor Confidential Information, other than as granted by, and within the express limitations imposed by the terms of this Article.
- 14.7 Each Party acknowledges and agrees that the other Party may be irreparably injured by a breach of this Article, and that any such breach cannot be adequately compensated for by damages. The aggrieved Party shall be entitled to seek equitable relief, including injunctive relief and specific performance, in the event of any breach of the provisions of this Article by the other Party. Such remedies shall not be deemed to be exclusive remedies, but shall be in addition to all other remedies available at law or at equity. The aggrieved Party shall not be required to deposit any security or post any bond in connection with any of the above equitable relief, and each Party hereby waives any requirement for same.
- 14.8 Without limitation of, and in addition to, any rights a Party may have against the other Party arising by reason of any breach hereof, each Party shall:
 - 14.8.1 be liable to the other Party for all Claims whatsoever which the other Party may suffer, sustain, pay or incur; and

14.8.2 indemnify the other Party (and its Personnel) against all Claims whatsoever which may be brought against or suffered by the other Party or which it may sustain, pay or incur

arising by reason of any breach by the other Party or its Personnel of any of their obligations under this Article.

15 **PUBLICATION**

15.1 **Announcements and Press Releases**

15.1.1 Contractor shall not at any time, without the prior written consent of Canadian Natural, make any public announcement, or issue any press release, with respect to the Work or this Agreement. If Contractor makes any public announcement or issues any press release without Canadian Natural's prior written consent it shall be in default and Canadian Natural may, at its sole option, terminate this Agreement immediately upon written notice.

15.1.2 Subject to sub-Section 15.1.1, in no event shall Contractor be entitled to damages or compensation, including but not limited to anticipated profits, directly or indirectly related to termination pursuant to this Article.

15.2 **Canadian Natural Publication**

15.2.1 Subject to any Applicable Laws, Canadian Natural shall be entitled at any time:

15.2.1.1 without the prior written consent of Contractor, to publicize the award of this Agreement;

15.2.1.2 with the prior written consent of Contractor, to publicize contact information for Contractor; and

15.2.1.3 with the prior written consent of a subcontractor to publicize contact information for that subcontractor.

16 **ASSIGNMENT AND SUBCONTRACTING**

16.1 Contractor shall not be entitled to assign or subcontract all or any part of the work contemplated by this Agreement without the prior written consent of Canadian Natural. If subcontracting is permitted by Canadian Natural, Contractor shall be wholly liable to Canadian Natural for the acts and omissions of its subcontractors and their employees and such acts and omissions shall be deemed to be acts and omissions of Contractor.

16.2 Canadian Natural shall be entitled to assign this Agreement on providing notice thereof in writing to Contractor.

17 **AUDIT**

17.1 Contractor shall keep in accordance with generally accepted accounting practice, accurate detailed books, records and accounts pertaining to this Agreement for a period (the "**Audit Period**") continuing during the duration of this Agreement and for an additional period of three (3) years, or longer if required by Applicable Laws following termination or expiry of this Agreement.

17.2 Canadian Natural shall have the right from time to time during the Audit Period to audit all books, records and accounts of Contractor for the purpose of verifying: (a) proper performance by Contractor of its obligations under this Agreement; (b) the amounts and costs payable by Canadian Natural under this Agreement; and (c) in respect of rates, fees, or prices under this Agreement that are fixed, the correct application of such rates, fees and prices in any invoice issued to Canadian Natural under this Agreement.

18 **REMEDIES**

18.1 **Remedies:**

18.1.1 Without prejudice to any other right or remedy that Canadian Natural may have and regardless of acceptance of any Goods and Services by Canadian Natural, if Contractor fails to comply with any term of this Agreement, or the Goods and Services do not comply with the warranties Contractor provided herein, Canadian Natural may do any one or more of the following:

18.1.1.1 reject the Goods and Services, in whole or in part;

18.1.1.2 refuse to accept any further deliveries of Goods and Services without liability to Contractor;

18.1.1.3 claim damages for breach of contract; or

18.1.1.4 terminate this Agreement.

19 **NOTICE**

19.1 **Notice:**

All notices or other documents required or permitted to be given pursuant to this Agreement shall be in writing and shall be sufficiently given if delivered personally, or if sent by prepaid registered mail or if transmitted by facsimile to that Party at the address set forth in this Agreement or at such other address as is designated by it in a written notice to the other Party. All notices will be deemed to have been given when delivered or sent, except that if such notice is delivered or sent on a day that is not a business day or after 4:00 p.m. at the intended point of receipt on a business day, it will be deemed to have been given on the next business day. For such purposes, a "business day" means a date other than Saturday or Sunday or a statutory holiday in the Province of Alberta or the jurisdiction of Contractor, as the case may be.

20 **GENERAL**

20.1 **Time:**

20.1.1 Time shall be of the essence in this Agreement.

20.2 **Entire Agreement:**

This Agreement and all rights, obligations and liabilities of the Parties hereunder, embodies the entire agreement between Canadian Natural and Contractor with respect to the subject matter hereof. This Agreement supersedes and replaces all related oral and written understandings, agreements and qualifications made by or between the Parties with respect to the subject matter hereof.

20.3 **Amendments:**

No modification to this Agreement shall be effective unless set out in writing and signed by the Parties.

20.4 **Waiver:**

20.4.1 No failure or delay on the part of any Party in exercising any right, power, privilege or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power, privilege or remedy preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy in law or in equity or by statute or otherwise conferred.

20.4.2 No waiver by any Party of any provision of this Agreement shall take effect or be binding upon that Party unless the waiver is in writing signed by that Party and such waiver shall extend only to the particular provision so waived and shall not be deemed and shall not constitute a waiver of any other provision (whether or not similar) and such waiver shall not operate as continuous waiver.

20.5 Governing Law:

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without regard to any choice of law rules thereunder. For the purpose of all legal proceedings, this Agreement shall be deemed to have been performed in the Province of Alberta and the courts of the Province of Alberta shall have exclusive jurisdiction to entertain any action arising out of this Agreement. The Parties each hereby agree to submit to the exclusive jurisdiction of the courts of the Province of Alberta and all courts of appeal therefrom for all matters arising out of or in connection with this Agreement, but without prejudice to the right of Canadian Natural to make a claim or take proceedings in any other jurisdiction where any of the subject matter hereof may be situate or is or has been conducted or where Contractor has assets, or for the purposes of enforcing any judgment, order or award against any member of Contractor Group.

20.6 Permits:

Contractor shall obtain and maintain all required permits, licenses, certificates or other authorizations required under Applicable Laws for the performance of its obligations and the supply of the Goods and Services under this Agreement.

20.7 Hazardous Materials:

Contractor shall be responsible for ensuring that it will comply with the Workplace Hazardous Materials Information System “WHMIS” legislation. Contractor shall ensure that all WHMIS controlled products delivered to the Delivery Point are accompanied by a Material Safety Data sheet in respect of such products.

20.8 Continuing Liability:

Except as provided herein, any provision of this Agreement under which an obligation of a Party has accrued but has not been discharged will not be affected by termination of this Agreement and will continue until so discharged.

20.9 Enurement:

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

20.10 Independence of Contractor:

Contractor is an independent contractor and, unless authorized by Canadian Natural in writing, shall not hold itself out as Canadian Natural’s agent or representative.

20.11 International Sale of Goods:

The United Nations Convention on Contracts for the International Sale of Goods (“CISG”) shall not apply to this Agreement and Contractor shall exclude and disclaim the CISG from any contract placed by Contractor with its sub-suppliers or sub-contractors in connection with this Agreement.

20.12 Foreign Corrupt Practices:

- 20.12.1 Subject to sub-Section 20.12.3, with reference to the performance of the activities under this Agreement, each Party hereby represents and warrants that they, their Affiliates and their respective employees or agents have not made, offered, or authorized and will not make, offer, or authorize any payment, gift, promise or other advantage, whether directly or through any other person or entity, to or for the use or benefit of any public official or any person holding a legislative, administrative or judicial office (including any person employed by or acting for a public agency) or any political party or political party official or candidate for office, (hereinafter, an "Official") in violation of (i) the laws of the jurisdiction of incorporation of that Party or that Party's ultimate parent company; (ii) the laws of the principal place of business of each Party; (iii) the *Corruption of Foreign Public Officials Act* (Canada); (iv) the *Foreign Corrupt Practices Act of 1977* (United States of America); (v) the *Bribery Act, 2010* (United Kingdom) or (vi) the principles described in the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed in Paris on December 17, 1997, which entered into force on February 15, 1999, and the Convention's Commentaries.
- 20.12.2 During the performance of the Work under this Agreement, Contractor, its Affiliates or any person acting on their behalf:
- 20.12.2.1 have not made, and during the term of this Agreement, will not make, offer or promise to pay, lend, or give money or anything of value;
- 20.12.2.2 have not authorized and during the term of this Agreement, will not authorize any such offer, promise, payment, loan, or gift; and
- 20.12.2.3 have not taken and, during the term of this Agreement, will not take, any action in furtherance of an offer or promise to pay, lend, or give money or anything of value, directly or indirectly, to or for the use or benefit of any Official, or to any other person while knowing that all or a portion of such money or thing of value will be offered, given, paid, loaned, or promised, directly or indirectly, to or for the use or benefit of any Official, for any of the following purposes:
- 20.12.2.4 influencing any act or decision of such Official, in his or its official capacity;
- 20.12.2.5 inducing such Official to do or omit to do any act in violation of the lawful duty of such Official; or
- 20.12.2.6 inducing such Official to use his or its influence with any Governmental entity to affect or influence any act or decision thereof.
- 20.12.3 Without limitation of, and in addition to, any rights a Party may have against the other Party arising by reason of any breach hereof, each Party shall:
- 20.12.3.1 be liable to the other Party for all Claims whatsoever which the other Party may suffer, sustain, pay or incur; and
- 20.12.3.2 indemnify the other Party (and its Personnel) against all Claims whatsoever which may be brought against or suffered by the other Party or which it may sustain, pay or incur, arising by reason of any breach by the other Party or its Personnel of any of their obligations under sub-Sections 20.12.1 and 20.12.2, and such obligation and indemnification shall survive the expiry or termination of this Agreement, notwithstanding anything to the contrary contained herein.

20.13 Severability:

If and for as long as any provision of this Agreement is or becomes invalid or unenforceable in any jurisdiction for any reason whatsoever, such invalidity or unenforceability shall not affect the validity, enforceability or operation of any other provision of this Agreement in such jurisdiction. Such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent required to give effect to the foregoing, any such invalid or unenforceable provision shall be deemed severed from this Agreement without affecting in any way the validity or enforceability of the balance of this Agreement.

20.14 Schedules:

The following is a list of Schedules (If Applicable):

Schedule Name	Applicable
Schedule A – Scope of Supply and/or Work	Attached, where applicable, or set out in the order or cover document
Schedule B – Compensation	Attached, where applicable, or set out in the order or cover document
Schedule C – Site Rules	Applicable only for Work performed at a Canadian Natural site. Will be attached or provided, where applicable.
Schedule D – Intentionally Left Blank	NA
Schedule E – Intentionally Left Blank	NA
Schedule F – Intentionally Left Blank	NA
Schedule G – Health, Safety and Environment	Applicable for Work performed at a Canadian Natural site. Will be attached or provided, where applicable.
Schedule H – Common Resources	Applicable for Work performed at a Canadian Natural site. Will be attached or provided, where applicable.
Schedule I – Code of Integrity, Business Ethics and Conduct, and Human Rights Statement	Available at https://www.cnrl.com/about-cnq/code-of-conduct-and-human-rights.html