

INTER PIPELINE TERMS AND CONDITIONS

1. ACCEPTANCE

- 1.1 These Inter Pipeline Terms and Conditions (the “**Terms and Conditions**”) are incorporated by reference into any purchase order issued by Company (or other IPL entity) that references or links to these Terms and Conditions, or that does not include or reference any terms and conditions (each a “**Purchase Order**” or “**PO**”) and shall become a binding agreement of the Contractor and the Company upon the earlier of: (a) the Contractor signing and returning a copy of the Purchase Order without exceptions; or (b) the Contractor commencing the supply of Goods or performance of Services or other Work pursuant to the relevant Purchase Order.

2. PERFORMANCE OF THE WORK

- 2.1 “**Work**” means the provision of those goods described in the PO (the “**Goods**”) and performance of those services described in the PO (including all labour, supervision, administration, supplies, tools, equipment and such other work and materials necessary in the performance of such services) (the “**Services**”), as applicable, to be supplied or performed by the Contractor to the Company in accordance with the Purchase Order.
- 2.2 The Contractor shall provide and perform the Work and represents and warrants that the Work shall be provided and performed in accordance with the Purchase Order, the Company’s Policies (including but not limited to the policies at <http://www.interpipeline.com>) and procedures, applicable law, in a safe and environmentally conscientious manner and comply with all health, safety and environmental Policies and procedures, good industry practice and in a professional, prompt, efficient, skillful, diligent and good workmanlike manner, in accordance with methods, standards, practice and diligence employed by leading companies in the field or industry to which the Work relates.
- 2.3 The Company may, from time to time, provide directions with respect to the performance of the Work and the Contractor agrees to follow such directions. All Work is subject to inspection and approval by the Company, but neither inspection nor failure to inspect will relieve the Contractor of any of its obligations under the Purchase Order. The Company shall have the right to reject Work which does not meet the standards required under the Purchase Order. Rejected Work shall be satisfactorily corrected by the Contractor within the Work Schedule set out in the PO without charge or cost to the Company.
- 2.4 The Contractor shall commence the Work on the date provided in the PO, perform the Work diligently and continuously, and perform the Work in accordance with, and in a manner that is consistent with, any Delivery Date or Work Schedule set forth in the PO. If the Contractor is responsible for a delay in the performance of the Work, or fails to perform any portion of the Work in accordance with any Delivery Date or Work Schedule set forth in the PO, the Contractor shall, at no additional cost to the Company, perform such additional, accelerated or overtime work, acquire and use any necessary additional labour and equipment, and perform whatever other acts are required or requested by the Company to make up the lost time and to avoid delay in the satisfactory completion of the Work. Time is of the essence of the Purchase Order.
- 2.5 The Contractor shall deliver the Goods to the Shipping Point(s) or Delivery Location, as applicable, identified in the PO on the Delivery Date(s) set forth in the PO. The Goods shall: (a) be free from fault in design, workmanship and material; (b) be of new and merchantable quality and fit for the purpose for which the Goods have been manufactured or fabricated; and (c) meet the specifications set out in the PO, if applicable. Delivery of the Goods will not be considered complete until the Contractor has delivered to the Company all items and documents required in the PO, in proper form,
- 2.6 The Contractor shall be solely responsible for: (a) the shipment and delivery of the Goods in accordance with any shipment and delivery terms set out in the PO, applicable law and in accordance with industry guidelines relating to the packaging, labelling, documenting, reporting and registering of such Goods; (b) the accuracy of the description and classification of all Goods shipped to the Company; and (c) any damages which arise due to non-conforming packaging or failure to ship the Goods in accordance with the PO.
- 2.7 With respect to the Services, the Contractor accepts the Company’s Jobsite and acknowledges that prior to commencing any Services it will have investigated and satisfied itself as to the location and condition of the Jobsite, including accessibility, general character, surface conditions, environmental risks, utilities, roads, uncertainties of seasonal weather and all other physical, topographical and geographical conditions. Any failure by the Contractor to discover such matters related to the Jobsite which affect or could affect the Services shall not relieve the Contractor of its obligations under this Purchase Order.
- 2.8 The Contractor shall provide and supply all equipment, materials and supplies necessary to perform the Work (including any such equipment, materials and supplies specified or described in the PO), and such equipment, materials and supplies shall be of sufficient quality and quantity to enable the Work to be carried out in accordance with the Purchase Order. Equipment, materials and supplies supplied by the Contractor for the Work may be subject to approval by the Company.
- 2.9 The Contractor has obtained, or shall obtain in a timely manner at its sole cost, all permits, licences, approvals, consents, and other authorizations necessary to perform the Work and to use, distribute, and/or modify anything the Contractor uses to perform the Work.
- 2.10 The Contractor and the Company may from time to time change the Work to be provided or performed or any other term of the PO by way of a change order (each, a “**Change Order**”). The Contractor shall not make additions, changes, alterations or omissions to the Work, or perform extra work, without a valid and binding Change Order. No Change Order shall be binding on the parties unless signed by an authorized representative of Company. Notwithstanding the foregoing, where there is an emergent situation or where a perceived change to the Work must proceed immediately, an authorized representative of the Company may instruct the Contractor to proceed accordingly.
- 2.11 The Contractor shall submit to the Company reports, plans and procedures in such detail and at such times as specified in the PO or as otherwise required by the Company. The Contractor shall attend and participate in all meetings as required by the PO or as otherwise directed by Company to discuss procedures, progress, problems, safety and scheduling, as required.
- 2.12 The Contractor shall at all times keep the Jobsite clean and free from accumulation of waste or materials (including hazardous materials) caused by its operations. Upon satisfactory Completion of the Work, the Contractor shall, at its own cost, ensure that the Jobsite is in a neat, tidy and

safe condition. If the Contractor fails to do so, the Company may conduct any necessary clean-up activities and charge the cost of such activities to the Contractor or may set off or withhold such costs in accordance with Sections 5.4 or 5.5, respectively.

3. CONTRACTOR'S PERSONNEL

- 3.1 The Contractor shall supply a sufficient number of personnel to enable timely and proper execution and satisfactory completion of the Work in accordance with the Purchase Order. All such personnel, including subcontractor personnel, shall be competent, qualified by education, training, experience, fluent in English, authorized to work in Canada and as required by applicable law, and in all other respects, shall be capable of carrying out the tasks to which each is assigned. Company may request Contractor to remove and, if required, to replace any Contractor personnel, including subcontractor personnel, who in Company's sole opinion: (a) are technically incompetent, misbehave or are negligent; (b) negatively affect the efficiency or safety of the Work or the Jobsite; or (c) are otherwise unfit, unsatisfactory or unacceptable to Company. Contractor agrees to observe any such request and to forthwith replace such Contractor personnel, including subcontractor personnel, at Contractor's expense.
- 3.2 The Contractor shall ensure that all of the Contractor's personnel, and those of its subcontractors' personnel, who are engaged in the performance of the Work are registered for workers' compensation regardless of whether such coverage is required by the statutory requirements of the Province of Alberta or other applicable law. Prior to the performance of any Work and, upon request of the Company, the Contractor shall provide: (a) a certificate letter or similar document from the workers' compensation board, commission, or organization administering workers' compensation that applies to workers performing the Work at the work site ("**WCB**") to show that it has an account with WCB; and (b) a WCB letter of clearance or similar document confirming that the account is in good standing; and (c) all of the above in respect of any subcontractor.

4. OWNERSHIP AND RISK OF LOSS

- 4.1 The Contractor warrants full and unrestricted title to the Company for Goods supplied, free and clear of any and all liens, encumbrances, security interests, charges, restrictions, reservations, mortgages, attachments, garnishments or other similar interests (collectively, "**Liens**").
- 4.2 Title to the Work shall pass to the Company free and clear of all Liens at the earliest of: (a) when the Goods have been delivered to the Shipping Point(s) identified in the PO; (b) payment for the Work, subject to the Company's holdback rights under Article 5 hereof; and (c) termination or cancellation of the Purchase Order.
- 4.3 Contractor shall assume and retain sole care, custody and control of and all risk of loss for all Work and results of Work, including any Goods, from the commencement date of the PO until transfer of care, custody and control of the Goods as set out in the PO or the Completion of Work and shall exercise due care with respect to such Work, including Goods, until risk of loss passes to Company.

5. PRICE AND PAYMENT

- 5.1 All fees, prices and other charges are as specified in the PO unless modified by Change Order (the "**Price**"). The Contractor shall perform the Work for the Price calculated and payable in the manner provided for in the PO. All amounts are in Canadian dollars unless specifically stated otherwise in the PO.
- 5.2 The Contractor shall, following satisfactory completion of the Work and otherwise in accordance with the Purchase Order, submit to the Company a proper invoice in accordance with the invoicing instructions set out in the PO.
- 5.3 Subject to any right of holdback, withholding or set-off, the Company shall pay Contractor, as full consideration for the satisfactory performance of the Work, in accordance with the PO. Payment by the Company of any amount due to the Contractor shall not be considered to be an acceptance by the Company of the Work, or to be a waiver by the Company of any of the rights that the Company may have against the Contractor under the Purchase Order, including any claim the Company may have at that time or thereafter.
- 5.4 Notwithstanding anything to the contrary in the PO, in the event that any amount is due to the Company or its affiliates by the Contractor, the Company shall have the right of set-off against the Contractor for such amount, whether such amount arises pursuant to the PO or any other contract between the Contractor and the Company or its affiliates.
- 5.5 Subject to applicable laws, including those relating to Liens, the Company shall have the right to withhold payment to the Contractor in respect of: (a) the final invoice or a portion of the total amount owing under the PO pending satisfactory receipt of all documentation required hereunder; (b) amounts in dispute until such dispute is settled; (c) amounts which are required to be held back and remitted or paid to a third party pursuant to applicable law, including, but not limited to, the applicable percentage of payments with respect to the Work if the Contractor is a "Non-Resident" for the purposes of the *Income Tax Act* (Canada); (d) losses suffered, sustained, paid or incurred by the Company as a result of the Contractor's acts or omissions, willful misconduct or breach of the Purchase Order, including third party claims; (e) the amount of a Lien if any such Lien is registered against the Work (or any portion of thereof), the Jobsite or any other Company property; and (f) the amount equal to the book debts or payment amount in the event of (i) the assignment of book debts by the Contractor, or (ii) the receipt by the Company of a legal notice to make any payment to a third party, including a government department or agency. The Company shall not be liable for any cost or interest to the Contractor as a result of withholding as specified herein.
- 5.6 If any Lien is registered, filed or attached to the Work, the Jobsite or any other Company property, wherever located, the Contractor shall promptly procure its release and indemnify and hold harmless the Company and its affiliates and all of their respective directors, officers, employees, agents, consultants, contractors and subcontractors from any and all claims incidental to such Lien, including any and all losses suffered, sustained, paid or incurred by the Company or its affiliates to discharge or satisfy the Lien.
- 5.7 Contractor shall be responsible for payments to subcontractors, which payment shall be in accordance with applicable laws relating to Liens and prompt payment.

6. TAXES

- 6.1 Except as specifically provided for in the PO, the Price set forth in the PO is inclusive of all taxes, tariffs, fees, levies, duties or charges imposed by any governmental authority by reason of the production, ownership, transportation or supply of the Work (collectively, "**Taxes**") other than GST or any other sales tax that the Contractor is obligated to collect from the Company pursuant to applicable law. Except as specifically

provided herein or in the PO, the Contractor shall be solely liable for and shall pay when due any and all Taxes assessed or made payable by applicable laws in connection with the Work.

- 6.2 The Contractor shall comply with all applicable laws and regulations relating to the collection and remittance of any Taxes and the Contractor shall defend, indemnify, and hold harmless the Company from and against all claims, costs, penalties and interest which may be assessed against the Company in respect to the Contractor's obligations specified in this Article 6.
- 6.3 Except to the extent expressly set out in the PO, If Contractor is or becomes a "non-resident" for the purpose of the *Income Tax Act* (Canada), the Contractor: (a) shall separately invoice the Company for all Work done in Canada and any other country; and (b) agrees and acknowledges that the Company shall be entitled to withhold any amounts which applicable law requires the Company to withhold and remit the same on behalf of the Contractor to the appropriate governmental authorities.
- 6.4 Upon request by the Company, the Contractor shall provide the Company with all information and documentation necessary to identify any Taxes paid or any refunds or tax credits available in connection with the Taxes paid in connection with the Work. The Contractor agrees that the Company is entitled to any refunds or tax credits in connection with such Taxes paid in connection with the Work.

7. WARRANTY

- 7.1 The warranty period for Goods shall be: (a) eighteen (18) months from delivery to the Jobsite set forth in the PO; or (b) twelve (12) months from the date upon which the Goods are put into service under normal operating conditions, whichever period is later. The warranty period for the Services shall commence on the Completion of the Services and continue for a period of eighteen (18) months from the date of Completion of the Services (as applicable, the "**Warranty Period**").
- 7.2 The Contractor acknowledges and agrees that, if there is any defect, deficiency or non-conformance with the Purchase Order in the Work (collectively, a "**Deficiency**") discovered prior to the expiry of the Warranty Period, the Contractor shall promptly and diligently proceed to correct, repair, replace or otherwise remedy the Deficiency, make good the Work and Company property, and repair any resulting damage (the "**Remedial Work**") at the Contractor's sole cost and expense. For greater certainty, the Contractor shall pay for all costs of the Remedial Work under the warranties set forth herein, including, but not limited to, the replacement cost of the Work, installation costs, expediting costs and delivery costs.
- 7.3 If for any reason the Contractor does not promptly proceed to or is unable to conduct such Remedial Work with respect to any Deficiency, or if Company determines at its discretion that it would be imprudent or inefficient to have Contractor perform any Remedial Work itself, the Company may: (a) perform such Remedial Work or have such Remedial Work performed by a third party; or (b) reject any deficient Goods and all related Goods and return same to the Contractor for a full refund. In such event, or if a Deficiency is not capable of remediation, Contractor shall indemnify and hold harmless the Company from any losses suffered, sustained, paid or incurred by Company in respect of such Deficiency and any actions taken in response thereto.
- 7.4 The Contractor represents and warrants that any Deficiency remedied pursuant to this Article 7 shall be subject to a further warranty period of: (a) twelve (12) months after completion of all such Remedial Work; or (b) the end of the Warranty Period, whichever period is later.
- 7.5 Without prejudice to the Company's rights and the Contractor's obligations under this Article 7, the Contractor shall obtain from its manufacturers, subcontractors, vendors and agents, for the direct benefit of both the Contractor and the Company, such warranties as are normally offered by such manufacturers, subcontractors, vendors and agents in connection with any Goods and Services supplied by them. The Contractor shall give the Company all reasonable assistance as the Company may require to enforce such warranties.

8. CONFIDENTIALITY

- 8.1 These Terms and Conditions of the Purchase Order and all supporting documentation, including, without limitation, designs, plans, sketches, specifications, engineering data or other data or information included or referenced in the PO or otherwise provided by Company or obtained, discovered or developed by the Contractor to facilitate its performance of the Work (collectively, "**Confidential Information**") shall be deemed to be confidential and the sole and exclusive property of the Company. The Contractor shall: (a) not use Confidential Information for any purpose whatsoever except for the performance of the Work; and (b) maintain all Confidential Information in strict confidence and shall not disclose Confidential Information to any person, firm, partnership, company, corporation or other entity or governmental authority except as set out in this Article 8 or otherwise required by applicable law. If any such Confidential Information is required to be released pursuant to applicable law, the Contractor may release such information provided it gives reasonable prior notice to the Company to enable the Company to obtain a protective order.
- 8.2 The Contractor may disclose Confidential Information to the Contractor's employees, subcontractors and consultants participating in the performance of the Work, who have a need to know such Confidential Information to perform the Work and who have been informed of and agree to observe the terms of the Purchase Order relating to Confidential Information. The Contractor shall be responsible for any breach of this Article 8 by any of its employees, subcontractors or consultants.
- 8.3 Upon the Company's request, the Contractor shall return all such Confidential Information (except for its copy of the Purchase Order) to the Company immediately upon the earlier of: (a) satisfactory Completion of the Work; (b) cancellation by the Company of such Work; or (c) termination of the Purchase Order. The confidentiality provisions contained in the Purchase Order will survive for five (5) years following the earlier of: (a) satisfactory Completion of the Work; (b) cancellation by the Company of such Work; or (c) termination of the Purchase Order.
- 8.4 If Company has entered into agreements with one or more technology licensors (collectively, the "**Licensor**"), the Licensor may require all contractors working with or accessing its technology and intellectual property to assume certain confidentiality and non-disclosure obligations. The Contractor shall, and shall ensure that its sub-contractors shall, enter into any necessary non-disclosure agreements either with the Company or directly with the Licensor as required by, and on terms satisfactory to, the Licensor and shall comply with any other directions of Licensor with respect to the handling, installation or use of any licensed technology.
- 8.5 The Contractor acknowledges and agrees that actual or threatened disclosure or use of Confidential Information that does not fully comply with the terms of the Purchase Order will cause irreparable harm to the Company for which an award of damages alone will not be adequate compensation. Accordingly, the Contractor agrees that the Company shall be entitled to seek injunctive relief to prevent actual or threatened

breaches of this Article 8, and to specifically enforce the terms hereof, in addition to any other remedy to which the Company may be entitled, at law or in equity.

9. INTELLECTUAL PROPERTY

- 9.1 All inventions, copyrightable works, drawings, designs, discoveries, improvements, trade secrets, trademarks, and other intellectual and proprietary rights, including the right to register and protect any of the above (collectively, "**Intellectual Property**") prepared for or delivered to the Company under the Purchase Order or that arise as a result of the Work are owned solely by the Company, and the Contractor hereby waives any and all legal and moral rights in the Intellectual Property. The Contractor agrees to provide, at the expense of the Company, all necessary information, materials, and assistance to enable the Company to proceed with the filing and prosecution of all patents, industrial designs, trademarks, and copyright applications relating to the Intellectual Property. For greater certainty, this provision does not apply to any Intellectual Property that was developed or owned by the Contractor prior to the commencement of the performance of the Work.
- 9.2 The Contractor represents and warrants that the Work and all parts of it do not infringe any Intellectual Property rights, including, without limitation, any trade secrets, copyrights, trademarks or patent rights, foreign or domestic, owned or controlled by any person ("**Intellectual Property Rights**"). If any of the Work constitutes or is alleged to constitute an infringement of any Intellectual Property Rights, the Contractor shall, at its own expense and as directed by the Company, either procure for the Company the right to continue using such Work without liability for such infringement, or modify or replace such Work with non-infringing Work that is at least as functionally and operationally equivalent to the Work that infringes or is alleged to infringe upon the Intellectual Property Rights of a third party.
- 9.3 The Contractor shall defend, indemnify and hold harmless the Company and its affiliates and all of their respective directors, officers, employees, agents, consultants, contractors and subcontractors from and against all claims, demands, actions, proceedings, losses, damages, costs and/or expenses (which may include, without limitation, legal fees on a solicitor and his own client basis) arising out of or in connection with any action by a third party that is based on any claim that the Work, or the use of it, infringes the Intellectual Property Rights of such third party. The Company shall have the right, at its sole option, to participate in the defence of any third-party claims without relieving the Contractor of its obligations herein in respect of the defence of any such claims and the bearing of such costs.
- 9.4 If the Contractor or its sub-contractors incorporate or embed any of its, or any third party's, Intellectual Property Rights into the Work, then Contractor hereby grants to the Company an irrevocable, perpetual, royalty-free, transferable, fully paid-up and non-exclusive right and licence to use, maintain, and distribute any and all such Intellectual Property Rights as is necessary for Company to effectively use, operate, maintain, repair, replace, expand, alter, transfer, sell or otherwise exploit the Work, the project in which it will be used or installed, or Company's other facilities or projects.

10. DEFAULT AND TERMINATION

- 10.1 The Company may terminate the Purchase Order immediately by giving written notice to the Contractor upon the occurrence of any of the following: (a) a default or breach of any provision of the Purchase Order and the Contractor fails to remedy such default or breach within five (5) days of receiving notice from the Company; (b) the Contractor becomes insolvent, enters into bankruptcy, a receiver is appointed over it or its business, winds up or dissolves, makes an assignment for the benefit of creditors, or becomes incapable, due to its financial position or otherwise, to perform in a timely manner its obligations under the Purchase Order; or (c) the Contractor is responsible for any theft or misappropriation of the property of the Company. Upon such termination pursuant to this Section 10.1, the Company shall pay the Contractor for all Work satisfactorily completed prior to the date of termination, less any losses sustained or incurred by Company. The Company may demand a return of all monies advanced to the Contractor, if any, and withhold payment of any monies that would have become due to the Contractor.
- 10.2 The Company may terminate the Purchase Order, in whole or in part, at any time by giving the Contractor written notice of such termination and the effective date of termination. Upon receipt by the Contractor of any such notice, the Contractor shall: (a) immediately stop performance of the PO to the extent set forth in such notice; (b) cancel all other purchase orders and subcontracts pertaining to the PO to the extent set forth in such notice; (c) preserve and protect any materials on hand purchased for or committed to the PO; (d) comply with Company's directions regarding the Work; and (e) promptly use commercially reasonable efforts to minimize the amount of third party termination charges associated with any such cancellation. Upon such termination pursuant to this Section 10.2, the Company shall pay to the Contractor the cancellation fees set out in the PO, or if no such fees are included in the PO then Company shall pay to the Contractor the sum of the following: (a) all amounts due and owing and not previously paid to the Contractor for that part of the Work completed prior to receipt of notice of termination; (b) any third party termination charges but only if such charges were pre-approved in writing by Company, acting reasonably; and (c) reasonable direct costs that, in the opinion of the Company, result from the termination of the Work (as applicable, the "**Cancellation Payment**"). The Cancellation Payment shall not exceed the Price that would otherwise be payable to Contractor under the PO. The Company shall have no liability whatsoever relating to the cancellation of the Purchase Order beyond the Cancellation Payment.
- 10.3 Upon termination of the Purchase Order, all Company-furnished material in the Contractor's possession, if any, must be immediately returned to the Company or, if the Company stipulates certain Work to be completed in the termination notice, be returned no later than the date of Completion of such Work.

11. SUSPENSION

- 11.1 Company may at any time immediately suspend all or any part of the Work with or without cause by giving Contractor written notice specifying the part of the Work to be suspended and the effective date of the suspension. Upon receipt of a notice of suspension, Contractor shall suspend its activities accordingly and obtain suspension terms satisfactory to Company with respect to all active subcontracts related to the suspended Work but shall continue to perform all unsuspended parts of the Work.
- 11.2 Company may at any time authorize resumption of the suspended Work, or any part of the Work, by giving Contractor notice specifying the part of the suspended Work to be resumed and the effective date of such resumption. Contractor shall resume the suspended Work on the date and to the extent specified in the notice. In the event of suspension for convenience, upon resumption of the Work, the work Schedule shall be extended by a period of time equal to the length of the suspension, which extension shall be formalized by way of Change Order.
- 11.3 In the event of any suspension for convenience, Company shall pay Contractor the following in full satisfaction of all losses that Contractor may have in relation to, or arising from, the suspension: (a) all compensation owed in accordance with the Purchase Order for all Work satisfactorily

completed up to the date of the suspension; (b) any subcontractor cancellation or demobilization charges incurred by Contractor due to the suspension, but only if such charges were pre-approved in writing by Company, acting reasonably; and (c) any incremental costs incurred by Contractor as a result of any delivery of Goods ordered and/or in transit. Notwithstanding the foregoing, Contractor shall not be entitled to any compensation whatsoever for any losses relating to a suspension that arises or results from any breach or default of Contractor under the Purchase Order.

12. LIABILITY AND INDEMNIFICATION

- 12.1 The Contractor is liable to and shall indemnify and hold harmless the Company and its affiliates and all of their respective directors, officers, employees, agents, consultants, contractors and subcontractors from and against all claims, demands, actions, proceedings, losses, damages, costs and/or expenses (which may include, without limitation, legal fees on a solicitor and his own client basis) arising out of or in connection with: (a) the breach of any provision of the Purchase Order; (b) the performance or non-performance of the Purchase Order; or (c) from the acts, omissions, negligence, fault or willful misconduct of the Contractor, its employees, agents, representatives, consultants or subcontractors with respect to the Work hereunder.
- 12.2 Except for losses arising out of or relating to a breach of: confidentiality, Intellectual Property Rights, Code of Ethics, gross negligence, willful misconduct, fraud, third party claims, liquidated damages and except for coverage that may be available under insurance policies required to be maintained by the Contractor, neither party will be liable for any indirect or consequential damages resulting from or arising out of this Purchase Order, including loss of use, loss of revenue, unrecoverable overheads, standby costs, loss of sale or service contracts, loss of profit, or business interruption, howsoever caused.

13. INSURANCE

- 13.1 The Contractor shall obtain and maintain, at the Contractor's sole expense and for the duration of the term and, if expressly stated, the Warranty Period, the insurance coverage of the types and with at least the minimum limits of coverage as follows (collectively, the **"Insurance Policies"**):
- (a) If the Work includes the transportation of Goods, cargo "all risks" insurance covering transport of all Goods by the Contractor (or others on the Contractor's behalf) against physical loss of or damage over land, water or by air to the Shipping Point or Delivery Location set out in the PO in an amount equal to the full replacement value of the subject matter insured. Such insurance shall include the Company as an additional insured and shall be primary insurance with respect to any loss or damage to the Goods. This policy will attach at the time of commencement of loading of the subject matter insured and continue in force through shipment (including transshipment and interim storage) until the conclusion of unloading at the Shipping Point or Delivery Location, as applicable, set out in the PO. This policy shall name the Company as a loss payee as far as its interests may appear and provide a waiver of insurers' rights of subrogation against the Company.
 - (b) If the Work includes the provision of Services at any site owned, leased or operated by the Company, or a third party's or public location, then the Contractor shall maintain the following insurance. The limits specified below may be satisfied with a combination of primary and umbrella/excess insurance:
 - (i) commercial general liability insurance having a minimum limit of \$5,000,000 per occurrence for bodily injury, personal injury and property damage including loss of use thereof. This policy must include, but not be limited to coverage for contractual liability, owner's and contractor's protective liability, non-owned automobile liability, products and completed operations, sudden and accidental pollution liability, employer's liability, broad form property damage, "cross liability" and "severability of interest", when applicable to the Services, property damage due to explosion, collapse and underground hazards, riggers liability if the Services include rigging and/or crane services, and when applicable to the Services, not excluding operations on or in the vicinity of a railway right of way. This policy shall include the Company as an additional insured and provide a waiver of insurers' rights of subrogation against the Company;
 - (ii) automobile liability insurance having a minimum limit of \$5,000,000 per accident for bodily injury, passenger hazard and property damage covering all motor vehicles used in the provision of the Services;
 - (iii) workers' compensation in accordance with the statutory requirements of the jurisdiction in which the Services are performed. Without limitation, the Contractor shall, at all times, pay or cause to be paid any assessment or contribution required to be paid pursuant to employment insurance or Workers' Compensation law;
 - (iv) aircraft liability insurance and/or marine liability insurance if any operations require the use of aircraft, including helicopters, or watercraft with a minimum limit of \$5,000,000 per seat for aircraft liability and in no event less than \$10,000,000 per occurrence for bodily injury and property damage (including passenger liability). If any operations require the use of unmanned aerial vehicles with a minimum limit of \$2,000,000 per occurrence in rural areas and \$5,000,000 per occurrence in urban areas for bodily injury and property damage. This policy shall include the Company as an additional insured and provide a waiver of insurers' rights of subrogation against the Company; and
 - (v) property "all risks" insurance covering physical loss or damage to the Contractor's owned property including tools and equipment, and property of others in the care, custody or control of the Contractor, or for which the Contractor has assumed liability (all including while in transit or storage on a replacement cost basis) and used in regards to the Purchase Order. This policy shall provide a waiver of insurers' rights of subrogation against the Company.
- 13.2 If the Contractor hires a sub-contractor to provide all or any portion of the Work, then the Contractor warrants that, as a part of the subcontract, the subcontractor shall obtain and maintain equivalent levels and types of insurance as the Contractor is required to maintain under the Purchase Order. If the Insurance Policies are not obtained or maintained by the Contractor or a subcontractor, as applicable, the Company shall have the right to suspend the Work until such time as the Contractor's and/or subcontractor's obligations are satisfied, without any liability to the Company.
- 13.3 The Company reserves the right to require the Contractor to provide and maintain additional insurance coverages in the event that the particular Work involves unusual risks or is required by law.

- 13.4 All Insurance Policies shall be considered primary and not excess to any insurance policies carried by the Company. All self-insured retentions ("SIRs") and deductibles shall be the responsibility of and to the account of the Contractor and its subcontractors. The Contractor will ensure that the required insurance's are placed with insurance companies with a minimum A.M. Best rating of A- VIII or its equivalent and acceptable to the Company and which are legally permitted to carry on business in the jurisdiction where the Work is performed. The Contractor and its subcontractors are responsible for any excluded loss under its insurance.
- 13.5 Upon issuance of the Purchase Order and on an annual basis thereafter, or at any other time upon written request by the Company, the Contractor shall deliver to the Company certificates of insurance reflecting all of the Insurance Policies. Should the Contractor receive a cancellation or termination notice from its insurer, the Contractor or its insurers shall notify the Company within thirty (30) days of such notice. The obligation to carry the insurance required by this Purchase Order shall not limit or modify in any way any other obligations assumed by the Contractor under the Purchase Order. The Contractor shall be held accountable for all insurance coverages, including those of subcontractors. The Company shall not be under any duty to advise the Contractor in the event that Contractor's insurance is not in compliance with the Purchase Order. Acceptance of any insurance certificate by the Company shall not constitute acceptance or agreement by the Company of the adequacy of the Contractor's coverage or the Contractor's compliance with the requirements of the Purchase Order, nor shall it constitute an amendment to the Purchase Order.
- 13.6 Upon issuance of the Purchase Order and on an annual basis thereafter, or at any other time upon written request by the Company, the Contractor shall deliver to the Company certificates of insurance reflecting all of the Insurance Policies. Should the Contractor receive a cancellation or termination notice from its insurer, the Contractor or its insurers shall notify the Company within thirty (30) days of such notice. The obligation to carry the insurance required by this Purchase Order shall not limit or modify in any way any other obligations assumed by the Contractor under the Purchase Order. The Contractor shall be held accountable for all insurance coverages, including those of subcontractors. The Company shall not be under any duty to advise the Contractor in the event that Contractor's insurance is not in compliance with the Purchase Order. Acceptance of any insurance certificate by the Company shall not constitute acceptance or agreement by the Company of the adequacy of the Contractor's coverage or the Contractor's compliance with the requirements of the Purchase Order, nor shall it constitute an amendment to the Purchase Order.
- 14. RIGHT TO AUDIT**
- 14.1 The Contractor shall, at all times during the performance of the Purchase Order and for a period of four (4) years after the latest of: (a) satisfactory Completion of the Work; and (b) the date of any termination of the Purchase Order, keep at the address specified in the Contractor's address for notice set forth herein, true and correct books, records, accounts and supporting documentation in respect of the costs relating to the performance and provision of the Work (the "**Records**"). All Records shall be kept and maintained in accordance with generally accepted accounting principles, as applicable, in Canada. The Contractor shall ensure all subcontractors are required to preserve and make available all Records in the same manner as the Contractor is required to under this Article 14.
- 14.2 Upon notice in writing to the Contractor, the Company and its authorized representatives shall have access to and the right to audit all Records maintained by the Contractor and the subcontractors in respect of the Work and the Purchase Order, during the Contractor's normal business hours, for verification of any sum payable to the Contractor and to confirm the Contractor's compliance with the requirements of the Purchase Order.
- 15. FORCE MAJEURE**
- 15.1 "**Force Majeure**" means any cause or event beyond the reasonable control of the affected party (the "**affected party**"), and which could not have been avoided by the exercise of reasonable diligence and at reasonable cost, thereby rendering such party unable to comply with its obligations under the Purchase Order. Force Majeure does not include: (a) late delivery of the Contractor's equipment or materials; (b) delays resulting from breakdown of the Contractor's equipment or materials; (c) a labour dispute; (d) a shortage of labour, materials or equipment; (e) a lack of funds; (f) any event or occurrence caused or contributed to by the negligence or fault of the affected party; and (g) any act or omission or default on the part of a subcontractor.
- 15.2 The affected party shall notify the other party in writing within five (5) Business Days of the commencement of the Force Majeure event, providing reasonable details of such event and the affected party's estimate of the anticipated effect which the Force Majeure event may have on the Schedule of performance of the Work. The affected party shall promptly notify the other party as soon as such Force Majeure event no longer prevents it from complying with its obligation and shall thereafter promptly resume performance of the affected Work.
- 15.3 The affected party shall be excused from the performance of its obligations under the Purchase Order for as long as the relevant event of Force Majeure continues and to the extent that such party's performance is prevented, hindered or delayed. However, the affected party shall use all reasonable efforts to mitigate the effect of the Force Majeure event upon its performance of the Purchase Order and to fulfill its obligations under the Purchase Order notwithstanding the event of Force Majeure. The Company shall grant the Contractor an extension to the Schedule of the Work (by way of a Change Order) if the event of Force Majeure may reasonably be considered to cause a delay to the Schedule of such Work.
- 15.4 An event of Force Majeure shall not entitle the Contractor to any increase in the Price, and each party shall bear its own costs arising out of Force Majeure.
- 16. ETHICS**
- 16.1 Contractor shall comply with, and shall ensure that all subcontractors comply with, Company's code of ethics, available at <http://www.interpipeline.com> as amended from time to time (the "**Code of Ethics**"). If there is any conflict between the provisions of the Purchase Order and the provisions of the Code of Ethics, the provisions of the Code of Ethics shall prevail.
- 17. HEALTH, SAFETY AND THE ENVIRONMENT**
- 17.1 The Contractor acknowledges it has been provided with the opportunity to review the Company's health, safety and environmental Policies and procedures applicable to the Work and the Contractor shall strictly comply with, and shall cause its employees and subcontractors to comply with, such Policies and procedures when present or conducting Services at the Jobsite or in conjunction with the Work. The Contractor shall: (a) be responsible for complying with the Company's site coordination rules and any of the Company's Policies, guidelines and requirements

that apply to the Jobsite (collectively, the **"Site Coordination Rules"**), as amended from time to time, while on the Jobsite; and (b) oversee and manage the compliance of its subcontractors with the Site Coordination Rules.

17.2 The Company shall have the right to stop or suspend any Work on its site or property which is thought to be unsafe or not in conformity with health, safety or environmental policies or procedures or applicable law, and in such case, the Contractor shall not be entitled to: (a) reimbursement for any costs, expenses, losses or damages; or (b) any extension for the Completion or performance of the Work, resulting from such stoppage or suspension.

17.3 The Contractor shall provide the Company with prior written notice of any hazardous materials proposed to be used in connection with such Work, and usage of such materials shall be subject to the Company's consent, which may not be unreasonably withheld. The Contractor shall not discharge or release hazardous material into the environment in the course of performing the Work. The Contractor shall be solely responsible and liable for any discharge or release of hazardous material, including, without limitation, any cleanup, removal, remediation, damage, fines, penalties and other expenses related to or resulting therefrom.

18. GENERAL PROVISIONS

18.1 Any notice to be given under the Purchase Order shall be in writing and delivered to the contacts set out in the PO. Any notice or other document shall be deemed to have been received: (a) if delivered by hand, at the time of delivery; and (b) if delivered by electronic mail, at the time of transmission if delivered on a Business Day within regular business hours of the receiving party, or on the next Business Day if delivered on a day which is not a Business Day or outside of such party's regular business hours; provided that the sender of the notice or other document is able to produce the delivery notification. Either party may change its address for receipt of notices by providing the other party with ten (10) days' prior written notice of such a change.

18.2 The rights and obligations of the Contractor shall not be assigned, subcontracted or otherwise transferred to any third party without the prior written consent of the Company, which may be withheld in its sole discretion. The Purchase Order shall enure to the benefit of and be binding upon each of the parties hereto and their respective successors and permitted assigns.

18.3 Company may, at any time, request Contractor to provide relevant financial information, including but not limited to Contractor's most recent audited annual financial statements and most recent quarterly financial statements, for the purposes of evaluating the financial condition of Contractor. Contractor shall provide the requested documentation to Company within 5 Business Days of receipt of a request from Company. Where so specified or required by the Company as a condition of entering into the Purchase Order with the Contractor, the Contractor shall furnish to the Company, in the form provided by the Company, a parent company guarantee and/or a letter of credit as security for performance of the Contractor's obligations under the Purchase Order.

18.4 The Contractor shall not use information relating to the project or the Company's name in advertising, promotional materials, industry presentation or publicity releases relating to the Work, unless authorized in writing by the Company. Such authorization may be arbitrarily withheld.

18.5 Nothing herein shall be construed to constitute the Contractor, or its sub-contractors or sub-suppliers, as an employee, agent, representative, partner or joint venturer of the Company or any of the Company's affiliates. At all times, the Contractor shall be deemed to be an independent contractor. The Contractor shall indemnify and save harmless Company from any and all claims arising out of or resulting from any contrary finding or determination by any court or governmental authority.

18.6 The Contractor acknowledges that the Company is entering into the Purchase Order on its own behalf and, if applicable, in its capacity as agent for, and on behalf of, any or all of the Company's affiliates. The Contractor agrees that all of its obligations hereunder are made in favour of Company and any one (1) or more of the Company's affiliates, as applicable, and that such obligations may be enforced either by the Company on its own behalf, by the Company as agent for any of the Company's affiliates, or directly by any of the Company's affiliates, at their sole option.

18.7 The Company strongly supports the use of local workers and businesses in the vicinity of the Jobsite, including business that have at least 51% ownership held by indigenous people (**"Local Content"**). The Contractor shall wherever practicable consider the maximum utilization of Local Content for the performance of the Work. This involves considering (where Local Content is competitive in terms of quality, cost and delivery/performance time): (a) maximizing services subcontracts assigned to Local Content; (b) maximizing the amount of the Contractor materials and the Contractor supplies sourced from Local Content; and (c) maximizing the use of Local Content services and facilities of all description.

18.8 The Purchase Order shall constitute the sole and entire agreement between the Contractor and the Company with respect to the Work. The Purchase Order shall not be altered, amended or supplemented except in writing by the parties.

18.9 Any reference to the Contractor's documents (quotation, bid or proposal) does not imply acceptance of any terms, conditions, or instruction contained in such document, and the terms of the Purchase Order shall supersede any provisions presented by the Contractor unless otherwise expressly agreed to in writing by the Company. Any Contractor's terms and conditions stated in any communication shall not apply to the Purchase Order and shall not be applicable in the interpretation of the Purchase Order. The Contractor agrees that the Purchase Order does not confer any rights upon it an exclusive right to perform the Work, or to be the Company's sole supplier or vendor of goods or services.

18.10 To the extent that any portion of the Purchase Order is found to be wholly or partially unenforceable, such portion shall be severed from the Purchase Order and shall not affect the enforceability of the balance of the Purchase Order. No delay or omission by the Company exercising any right or remedy shall constitute a waiver of such right or remedy or prejudice the right of the Company to enforce such right or remedy at any subsequent time.

18.11 The Purchase Order shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The Court of King's Bench of the Province of Alberta shall have exclusive jurisdiction to determine all matters in dispute hereunder and the parties hereby submit to the exclusive jurisdiction of such courts in the judicial district of Calgary. For clarity, The United Nations Convention on Contracts for the International Sale of Goods does not apply to the Purchase Order. Should any claim or unresolved dispute arise between Company and Contractor during the performance by either party of their obligations under the Purchase Order, the parties shall, subject to Company's other rights and remedies under the Purchase Order, continue to perform all of their respective obligations in accordance with the Purchase Order throughout the process of settling such claims or resolving such disputes.

- 18.12 The obligations of the Contractor set out in Article 6 (Taxes), Article 7 (Warranty), Article 8 (Confidentiality), Article 9 (Intellectual Property), Article 12 (Liability and Indemnity), Article 13 (Insurance), Article 14 (Audit) Article 16 (Ethics) and Article 18 (General Provisions), as well as any other parts of the Purchase Order which by their nature are intended to survive the satisfactory Completion of the Work or termination of the Purchase Order, shall survive notwithstanding the expiration or termination of the Purchase Order.