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1. Definitions

1.1 Definitions. Unless the context requires otherwise, the following capitalized terms mean:

(a) “Affiliate” shall have the same meaning given to that term in the Canada Business Corporations Act, or any similar, replacement or supplemental Law in effect from time to time, which meaning shall, mutatis mutandis, apply to partnerships, limited liability partnerships and limited partnerships.

(b) “Claim” or “Claims” means, as the case may be, any one or more of: loss, damage, cost, expense, disbursement, penalty, fine, claim, demand, action, proceeding, lien (whether builders’, mechanic’s, construction or other type of lien), legal hypothec, suit, liability, judgment, award, decree, determination, adjudication, unpaid tax of any kind (including withholding tax), cost of investigation and any type of fee (including legal fees, on a solicitor-and-own-client basis), together with any interest in relation thereto at the applicable rate.

(c) “Goods” means all supplies, goods, materials, equipment, components and Services required to be supplied by the Seller in accordance with the Purchase Order.

(d) “Indemnities” means Suncor, its Affiliates and their respective Personnel.

(e) “Invoicing Requirements” means Suncor’s invoicing and accounts payable standards, procedures, policies and guidelines on Suncor’s website at www.suncor.com and as specified in the Purchase Order and as may be provided by Suncor from time to time.

(f) “Law” or “Laws” means collectively all valid applicable common law, federal, provincial, state and municipal and other local laws, orders, rules, regulations and decisions of regulatory bodies, including, occupational health and safety, fire, employment insurance, workers’ compensation, Hazardous Substance, transportation of dangerous goods and handling, environmental protection legislation, building codes, anti-bribery law or international convention, as may apply now or in the future, including but not limited to the Corruption of Foreign Public Officials Act (Canada), the Foreign Corrupt Practices Act (U.S.), the Bribery Act (U.K.) and the OECD Convention on Combating Bribery of Foreign Public Officials, and any other governmental requirements, work practices and procedures prescribed by law and related to the Seller, the Site, the Goods or the Services.

(g) “Personnel” means a party’s directors, officers, employees, contract personnel, representatives, advisors and agents.

(h) “Purchase Order” means the purchase order issued by Suncor and all other attachments identified in the purchase order.

(i) “Records” means the records of the Seller relating to the Purchase Order or the Goods, and which include paper and electronic documents and/or copies in their native form, as the case may be, of:

(i) original invoices and records of account for all Goods supplied, and any other items of cost for which Suncor is obliged to reimburse the Seller, and information relating to Seller’s compliance with the Invoicing Requirements;

(ii) records relating to any termination or suspension costs;

(iii) information relating to Seller’s compliance with the Law and the Supplier Code of Conduct, and the Seller’s use of Confidential Information; and

(iv) where the Goods are supplied for Suncor’s operations in relation to the Terra Nova Project area, the records described in Paragraph 25.2.

(j) “Seller” means the party named in the Purchase Order as the supplier of the Goods to Suncor.

(k) “Services” means all labour, supervision and such other work and materials to be supplied or performed in connection with the Goods by the Seller at the Site in accordance with the Purchase Order. The Supplemental Site Service Terms and Conditions Addendum available on Suncor’s website at www.suncor.com, as updated from time to time, shall apply to such Services and the Seller shall be deemed to have accepted same by proceeding with the Services. The Supplemental Site Service Terms and Conditions Addendum shall not apply to Services supplied to Suncor’s off-shore operations in relation to the Terra Nova Project, which shall be governed by Suncor’s standard off-shore services terms and conditions (as provided by Suncor).

(l) “Site” means the site(s) identified in the Purchase Order.

(m) “Suncor” means the Suncor entity identified in the Purchase Order.


(o) “Terms and Conditions of Purchase” means this document entitled “Terms and Conditions Goods Purchase Order”, including where applicable, the Supplemental Site Service Terms and Conditions Addendum, and forming part of the Purchase Order.

2. Precedence

2.1 Precedence. The Terms and Conditions of Purchase shall govern if inconsistent with the terms and conditions on the face of the Purchase Order.

3. Scope of Supply

3.1 Goods. The Seller shall supply the Goods in accordance with the Purchase Order.

3.2 Time. The Seller acknowledges that timely supply of the Goods is a matter of paramount importance to Suncor.

4. Changes

4.1 Suncor Change. Suncor may, at any time, make changes to the Goods including, without limitation, additions, deletions, rescheduling and acceleration or deceleration to all or any part of the Goods.
5. Independent Contractor

5.1 Independent Contractor. The Seller is an independent contractor and not the agent of Suncor.

6. Representations

6.1 Seller’s Performance Representations and Warranties. The Seller represents and warrants that the Goods:
   (a) shall be free from all latent and other defects or deficiencies;
   (b) shall be of merchantable quality;
   (c) shall be fit for the purpose for which the Goods have been manufactured, fabricated or supplied; and
   (d) are now, and shall continue to be, free and clear of all liens, encumbrances, any adverse Claims, demands or other interests.

7. Warranty

7.1 Remediation of Defective or Deficient Goods. The Seller shall, at its own risk and expense, including all costs to access the Goods, but subject to the limit specified in Paragraph 11.1 Limitation of Liability for the Seller, remedy without delay any defect or deficiency in the Goods discovered within 24 months after delivery of the Goods or 12 months after the Goods are put into service under normal operating conditions, whichever occurs first.

7.2 Indemnification by Seller to Suncor for Remediation. Should the Seller fail to promptly remedy the defects or deficiencies in accordance with Paragraph 7.1 Remediation of Defective or Deficient Goods, Suncor may proceed with any activities necessary to remedy the defects or deficiencies and the Seller shall indemnify and hold harmless Suncor from any Claim suffered, sustained, paid or incurred by Suncor.

8. Return of Goods

8.1 Return of Goods. In the event any Goods are delivered in error, rejected as not being in accordance with the Purchase Order, or overages in excess of trade practice, then Suncor shall have the right to return such Goods at the Seller’s expense and risk.

9. Insurance

9.1 Insurance Coverage. Without limiting any of the obligations or liabilities under the Purchase Order, the Seller shall obtain at its own expense and cost, a policy of Commercial General Liability Insurance suitable to Suncor in an amount of not less than $5 million per occurrence covering Products and Completed Operations Liability. This policy will respond to property damage to Suncor’s existing facilities.

10. Liability and Indemnification

10.1 Liability of Seller. The Seller agrees that it shall be liable to and indemnify and hold harmless the Indemnitees for all Claims whatsoever which the Indemnitees may suffer, sustain, pay or incur as a result of and to the extent of: (i) the negligence; and (ii) breach of contract; of the Seller, arising out of or incidental to the performance or non-performance of the Seller’s obligations or the provision of the Goods under the Purchase Order.

11. Limitation of Liability

11.1 Limitation of Liability for the Seller. Subject to Paragraph 11.2 Gross Negligence and Willful Misconduct and the Seller’s obligations to indemnify pursuant to Article 12 Third Party Claims, Article 18 Confidentiality, Article 19 Intellectual Property and Article 21 Taxes, which shall not be limited in any way, the Seller’s liability under this Purchase Order shall be limited to the greater of:
   (a) all amounts of applicable coverage under policies of insurance required to be maintained under the Purchase Order; or
   (b) the Purchase Order price.

11.2 Gross Negligence and Willful Misconduct. The limitation of the Seller’s liability, specified in Paragraph 11.1 Limitation of Liability for the Seller shall not apply in respect of liability of the Seller arising from, or connected to, its gross negligence or willful misconduct. Where the Purchase Order is governed by the Laws of Quebec, “gross negligence and willful misconduct” shall have the same meaning as “intentional or gross fault”.

12. Third Party Claims

12.1 Third Party Claims. The Seller agrees that it shall be liable to and indemnify and hold harmless the Indemnitees from all Claims whatsoever by third party which may be brought or made against the Indemnitees or which the Indemnitees may sustain, pay or incur as a result of and to the extent of the acts, faults, errors, omissions or negligence of the Seller arising out of or incidental to the performance or non-performance of the Seller’s obligations or the provision of the Goods under the Purchase Order or the conduct of the Seller.

13. Consequential and Punitive Damages

13.1 Consequential and Punitive Damages Exclusion. Neither party shall be liable to the other for consequential damages, punitive damages or damages for losses of profits, revenue, business, reputation or financing and lost opportunity.

13.2 Direct Lost Profits. Notwithstanding Paragraph 13.1 Consequential and Punitive Damages Exclusion, the Seller shall be liable to the Indemnitees for damages for losses of profits, revenue, business, reputation or financing and lost opportunity if and to the extent that such losses are a direct result of: (i) the negligence; or (ii) breach of contract; of the Seller; arising out of or incidental to the performance or non-performance of the Purchase Order or the supply of the Goods by the Seller.


14. Title Transfer

14.1 Title Transfer. Title to the Goods or part thereof shall be vested in Suncor when the first of the following events occurs:
   (a) the Goods, or a portion thereof, are first identifiable as being appropriated to the Purchase Order;
   (b) Suncor pays for the Goods, or part thereof; or
(c) the Goods or part thereof are dispatched from the Seller’s place of manufacture to the Site.

14.2 Refusal of the Goods. Any transfer of title to the Goods shall be without prejudice to Suncor’s right to refuse the Goods in case of non-conformity with the requirements of the Purchase Order.


15. Payment

15.1 Payment. Subject to the terms and conditions herein, payment shall be made in accordance with the Purchase Order.

15.2 Withholding. Notwithstanding any other provision, an amount otherwise due to the Seller may be withheld, without payment of interest, if, in the opinion of Suncor, it is necessary to protect Suncor from loss on account of the Seller:

(a) failing to provide the Goods in accordance with the terms of this Purchase Order;
(b) being in default of any condition of the Purchase Order, including without limitation, quality assurance;
(c) not promptly remediing defective or deficient Goods; or
(d) failing to promptly and satisfactorily pay any Claim for labour performed or materials or equipment furnished;

and if and when the cause of the withholding of any amount is removed and satisfactory evidence of such removal is furnished to Suncor, Suncor shall promptly pay the amount withheld to the Seller pertaining to such cause.

16. Set-Off

16.1 Set-Off. Suncor may deduct and set-off any amounts owed by the Seller to Suncor under the Purchase Order, howsoever arising, from any amount due or owing by Suncor under any contract Suncor has or may have with the Seller.

17. Suspension or Termination

17.1 Suspension or Termination by Suncor. Suncor may, at any time, without cause, suspend or terminate the Purchase Order for any reason on 15 days’ written notice; provided, however, that Suncor may, upon giving 24 hours’ notice, immediately terminate the Purchase Order for cause.

18. Confidentiality

18.1 Confidential Information. Any and all confidential information of Suncor or the Seller received by the other party to the Purchase Order shall be received in the strictest confidence.

18.2 Confidentiality Indemnification. Without limitation and in addition to any other rights or remedies Suncor may have, the Seller acknowledges that it shall be liable to and shall indemnify and hold harmless the Indemnitees from all inter-party and third party Claims brought against or suffered, sustained, paid or incurred by the Indemnitees arising out of or resulting from a breach of Article 18 Confidentiality by the Seller.

18.3 Further Relief. It is understood that a breach of any of the promises or provisions contained in this Article may cause the other party to suffer a loss for which it could not be adequately compensated by monetary damages. In addition to claiming damages or an indemnity, the affected party shall be entitled as a matter of right to seek an injunction and enforce the terms and provisions of this Article. The parties agree that the affected party will suffer irreparable harm as a result of a breach of any of the promises or provisions contained in this Article, and the other party consents to any preliminary or ex parte applications for such relief to any court of competent jurisdiction, including, without limitation, equitable relief including injunctive relief and specific performance. The foregoing rights shall be cumulative and shall be in addition to any other remedies which may be available to the affected party.

18.4 Term. The obligations under this Article 18 Confidentiality shall continue for a period of 5 years following the date the Purchase Order becomes a binding agreement in accordance with Paragraph 25.8 Binding Agreement.

19. Intellectual Property

19.1 Intellectual Property Indemnification. The Seller shall be liable to and shall indemnify and hold harmless Suncor from and against any and all Claims arising out of or resulting from the actual or alleged infringement of any rights under patents, trade secrets, copyright or other intellectual property rights or any litigation based thereon in respect of Goods supplied by the Seller.

20. Compliance with Laws and Supplier Code of Conduct

20.1 Compliance with Law. The Seller shall comply with all applicable Law in the performance of its obligations under the Purchase Order.

20.2 Compliance with Supplier Code of Conduct. The Seller shall and shall ensure that its subcontractors and their respective Personnel comply with the Supplier Code of Conduct at the cost and expense of the Seller. In the case of any difference between the requirements of Supplier Code of Conduct and the Law, the stricter or higher standard shall apply.

21. Taxes

21.1 Tax Responsibility. With the exception of goods and services tax/harmonized sales tax (as defined in the Excise Tax Act (Canada)) payable on amounts due to the Seller, payment of which shall remain the responsibility of Suncor, the Seller shall pay all taxes in relation to the Goods supplied under the Purchase Order in compliance with all applicable Law.

21.2 Tax Indemnity. The Seller shall indemnify and save harmless the Suncor from any and all Claims which may be made or assessed against Suncor in respect of the Seller’s obligations described in Article 21 Taxes.

22. Audit

22.1 Audit. At any time during normal business hours until 2 years following delivery of the Goods, Suncor or its nominees shall have the right to inspect and audit the Records.
Terms and Conditions
Goods Purchase Order

23. UN Convention on the Sale of Goods


24. Governing Law

24.1 Governing Law and Jurisdiction. The Purchase Order shall be governed by and construed in accordance with the Laws of the province where the Site is located. The parties agree to accept and submit to the exclusive jurisdiction of the courts of that province.

25. General Matters

25.1 Scope of Undertakings. Where the Goods are supplied for Suncor’s operations in relation to the Terra Nova Project:

(a) Seller acknowledges that Suncor is acting on behalf of itself and its co-lessees, joint interest owners or holders of a working, participating or other proprietary interest in the Terra Nova Project and their respective successors in interest and assigns (collectively, the “Owners”), and that the Owners, or any of them, shall be entitled under arrangements with Suncor to certain of the benefits of the Purchase Order. Seller shall nonetheless deal exclusively with Suncor in relation to the Purchase Order. Suncor shall be entitled to exercise, on behalf of itself and the Owners, all rights of action existing under the Purchase Order in favour of the Owners and Suncor. The losses, damages, costs and expenses recoverable by Suncor on behalf of the Owners pursuant to the Purchase Order shall include all losses, damages, costs and expenses of the Owners and Suncor, except that such losses, damages, costs and expenses shall be subject to the same limitations or exclusion of liability applicable to Suncor under the Purchase Order.

(b) Suncor may commence proceedings and make Claims in its own name to enforce all liabilities and obligations of Seller and to make any Claim which all or any of the Owners may have against Seller in relation to or arising out of the Purchase Order.

25.2 Canada – Newfoundland and Labrador Benefits. Where the Goods are supplied for Suncor’s operations in relation to the Terra Nova Project:

(a) Seller shall fulfill the Canada-Newfoundland and Labrador Benefits representations as submitted in Seller’s proposal, or as modified from time to time by agreement of Suncor and the Seller.

(b) Seller shall maintain, for a period of two (2) years from the date of the Purchase Order, records containing the following information:

(i) the nation and, if applicable, province in which each Person employed or subcontracted by Seller in relation to the Goods resides, and the cost attributable to each such Person invoiced from time to time by Seller to Suncor;

(ii) the nation and, if applicable, province in which each manufacturer or other contractor of goods or services used by Seller in supplying the Goods is located, and the cost attributable to each such manufacturer or other contractor invoiced from time to time by Seller to Suncor;

(iii) the nation and, if applicable, province in which each Person who has received training from Seller or its subcontractors resides, and the nature of such training, including the amount of time and expenditures incurred in relation to such training; and

(iv) any expenditures incurred in relation to research and development carried out in Newfoundland and Labrador, and education and training provided in Newfoundland and Labrador.

(c) Seller shall specifically identify any of the foregoing information that pertains to disadvantaged individuals and groups, or corporations owned or co-operatives operated by such individuals or groups. Seller shall provide summaries or other reports in relation to the foregoing information from time to time as and when requested by Suncor.

(d) Seller shall maintain a written auditable trail identifying that full and fair opportunity has been given to Canadian and Newfoundland and Labrador entities when awarding subcontracts for the supply of equipment or services with a contract value in excess of CAD 100,000.

25.3 Assignment. Neither party may assign the Purchase Order without the prior written consent of the other party, which consent shall not be unreasonably withheld.

25.4 Subcontracting. Seller shall not subcontract any portion of the Purchase Order without the prior written consent of Suncor, which consent shall not be unreasonably withheld.

25.5 Entire Agreement. The Purchase Order constitutes the entire agreement between the parties and shall supersede and replace any and all prior agreements between the parties with respect to the subject matter hereof, and may be amended only by written instrument signed by the parties.

25.6 Amendments. No amendment to the Purchase Order shall be binding on Suncor and the Seller, unless made in writing and signed by the authorized representatives of both parties.

25.7 No Waiver. Suncor’s failure to insist on performance of any term, condition or instruction or failure to exercise any right or privilege, or its waiver of any breach or default shall not thereafter waive any such term, condition, instruction, right or privilege.

25.8 Binding Agreement. The Purchase Order shall become a binding agreement upon the Seller signing and returning an executed copy of the Purchase Order or upon the Seller otherwise acknowledging acceptance of the Purchase Order or commencing performance of the Purchase Order, whichever occurs first.

25.9 Exclusions. Any reference to the Seller’s documents (quotation, bid, or proposal) does not imply acceptance of any terms, conditions, or instruction contained in such document. Any Seller’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.

END OF DOCUMENT