



STANDARD TERMS AND CONDITIONS OF PURCHASE GOODS AND SERVICES CANADA & UNITED STATES

The purchase order ("PO") is Ensign's offer to purchase the goods and/or services described therein from the party furnishing goods or services ("Supplier") exclusively on the terms and conditions stated herein. Supplier shall be deemed to have accepted this offer by the earlier of: (i) commencement of performance of services; (ii) delivery of the goods to Ensign; (iii) written acceptance or confirmation of the PO; or (iv) any other act or communication constituting legal acceptance. Ensign objects to, rejects, and shall not be bound under legal or equitable theory to any past or future terms, conditions, or promises, including any additional or inconsistent terms shown on Supplier's sales confirmation, acknowledgement, shipping documents, invoices, documents, acknowledgements, or other communications, even if signed by an Ensign representative. No boilerplate, terms and conditions, acknowledgement, receipt, forms or other writings submitted or delivered by Supplier, together with this PO, an invoice, or otherwise, shall be binding on Ensign and are all hereby rejected by Ensign. If Ensign's PO is deemed an acceptance of an offer, Ensign's acceptance of the offer is expressly made conditional on Supplier's assent solely to these terms and conditions. Except as otherwise set forth herein, or as the context requires, references to "Ensign" mean the affiliate or subsidiary of Ensign that executed the PO.

1. Precedence: Upon acceptance, this PO constitutes the entire agreement of the parties with respect to the purchase or the services and or goods indicated on the face of the PO (the "Work"). These Standard Terms and Conditions of Purchase shall govern if inconsistent with the terms and conditions of the PO.

2. Independent Contractor: Supplier is an independent contractor and not an agent of Ensign.

3. Price: The PO states the price for the Work, and currency in which the price for the Work is charged. All costs shall be included in the price (if a fixed price) or the rates or unit costs (if a time and materials or unit cost price) provided by Supplier. Ensign shall not be responsible for any additional costs, fees or charges other than those specified on the PO. Any tax or other assessment imposed in respect of the Work shall be for the account of Ensign and shall be shown separately on all invoices.

4. Invoices: The purchase price for the Work shall be due and payable within 60 days of receipt by Ensign of Supplier's invoice. In the event that Supplier has not submitted an invoice to Ensign more than 60 days after the Work completed or received by Ensign, Supplier shall be irrevocably deemed to have waived, release and disclaim any right to claim or receive any compensation in respect of any such amounts that are not submitted in conformance with the time limitations and related conditions set forth in this paragraph.

5. Changes to or Suspension of PO: Ensign may, upon written notice to Supplier, make changes to the PO or to suspend performance of all or part of the PO for any reason. Supplier shall provide Ensign with the price and delivery schedule impact (if any)

of the changes requested by Ensign within five (5) business days of receipt by Supplier of written notice from Ensign of the change to the PO. If Ensign accepts Supplier's proposed changes without modification, Ensign shall issue a written change order (a "Change Order") to Supplier, and Supplier is deemed to have accepted the Change Order upon receipt thereof. If Ensign modifies Supplier's proposed changes in the Change Order, the Change Order shall not take effect until Supplier has accepted the Change Order in writing. Any services performed or goods supplied by Supplier which have not been authorized by this PO and any Change Order will be at Supplier's risk and expense.

6. Title and Risk of Loss: Title shall transfer to Ensign upon the earlier of: (i) payment by Ensign for the Work, or part thereof if progress payments are made by Ensign (including with respect to drawings, materials and all completed fabrication Work); or (ii) in the case of goods, the date the goods are accepted by Ensign, as evidence by written record signed by Ensign. Upon termination of the PO by Ensign, Ensign shall be entitled to exclusive possession of all Work (whether or not completed) and may remove it from Supplier's possession, wherever located, without interference or hindrance of any kind by Supplier or any claimant against Supplier. Any transfer of title shall be without prejudice to Ensign's right to refuse the Work in the case of non-conformity with the PO. Notwithstanding the foregoing, Supplier shall be responsible for any loss or damage occurring to the Work, if goods, until the same are in Ensign's possession, as confirmed by Ensign, in writing, including responsibility for carriage of insurance as set forth herein.

7. Delivery and Shipping: Supplier shall deliver such goods that are the Work to the location ("Delivery Point") and at the time ("Delivery Date") specified on the PO. Unless otherwise specified in the PO, Supplier shall arrange for and pay for shipping, and shall arrange for and pay for all packaging, labelling, crating and carting fees. If Supplier fails to deliver the goods to the Delivery Point on or before the Delivery Date, Supplier shall be liable to and shall pay Ensign liquidated damages equal to one (1%) per cent of the price of the late goods for each day past the Delivery Date that the goods are not delivered to the Delivery Point. Supplier's liability for delay liquidated damages is limited to a maximum of fifteen (15%) per cent of the price of the late goods. The delay liquidated damages provided for hereunder are a genuine pre-estimate of damages reasonably anticipated to be incurred by Ensign as a result of the delayed delivery of the goods, and are not a penalty.

8. Inspection and Acceptance: All goods shipped to the Delivery Point shall be subject to inspection and acceptance by Ensign. Ensign's inspection, failure to inspect or acceptance shall not relieve Supplier of any obligation under the PO. In the event goods are found to not conform to the specifications in the PO, in addition to any other rights or remedies available to Ensign under law, equity or otherwise, Ensign shall have the right to return defective goods for a full refund, with Supplier responsible for all shipping and handling charges. Without limiting the foregoing, Ensign shall have the right to require replacement, repair or correction of goods rejected by Ensign at Supplier's risk and expense within 14 days following written notice from Ensign to Supplier to do so or within such other time period agreed to in

writing by the parties. Ensign or its representatives shall be allowed reasonable access to Supplier's premises during the performance of the PO to enable Ensign to inspect and approve performance of the Work in progress.

9. Warranties: Supplier warrants to Ensign that:

- (a) the goods are free of defects in materials and workmanship under normal use and service, provided the goods are used and maintained in accordance with guidelines provided by Supplier and not subject to unreasonable use or negligence;
- (b) the services are free from defects and deficiencies in workmanship;
- (c) all materials used in the goods and services are new and meet all minimum grade specifications specified or, if not specified, consistent with prevailing industry best practices;
- (d) all goods delivered hereunder shall be free and clear of any and all liens and encumbrances;
- (e) all manufacturer's warranties shall be transferred to Ensign to the fullest extent possible;
- (f) if Supplier provides design services, the design meets the specifications set out in the PO and is free from material errors and omissions;
- (g) Supplier has adhered to all quality assurance standards specified in the PO and as are standard in the industry;
- (h) the quality of all goods and services shall meet or exceed any and all requirements mandated by applicable laws, including, but not limited to, public safety, health and environmental standards, or such other standards as may be defined by Ensign; and
- (i) it shall and shall ensure that all of its personnel and subcontractors comply with all applicable laws (including those related to the prohibition on modern slavery, child labour and forced labour) and all corporate requirements of Ensign (including its Supplier Code of Conduct).

10. Warranty Period: Except as expressly set forth herein, the warranties provided by Supplier above shall apply: (a) with respect to goods, for a period of 12 months following the date of delivery of such goods; and

(b) with respect to services, for a period of 12 months following completion of the services. Ensign will notify Supplier in writing within 30 days of the discovery of a warranty issue and provide details of the same. The date of discovery of the warranty issue must be within the warranty period set forth above. The warranty provided by Supplier in Paragraph 9(f) above shall apply for a period of 5 years

11. Supplier's Warranty Obligations: Supplier will provide, at its own cost, all materials and labor required to repair or replace defective goods, or to re-perform defective services, to Ensign's satisfaction. Any Work performed or materials provided by Supplier pursuant to the warranties herein will be warranted for a period equal to the shorter of: (i) 12 months from the completion of the re-work or replaced goods; and (ii) 18 months from the original date of delivery of goods or performance of services. If Supplier fails to correct a defect within a reasonable time from receipt of notice from Ensign, Ensign may, at its sole option, correct the defect and charge Supplier the costs and expenses thereof or set the same off from any other amounts owing to Supplier. Notwithstanding performance of such remedial work by or on behalf of Ensign, the warranties of Supplier for the remainder of

the warranty period shall continue to apply with respect to all goods and services including the remedial work performed by or on behalf of Ensign.

12. Intellectual Property: Supplier represents and warrants it is the owner of or has the right to use the intellectual property used by it in connection with performing the Work ("**Supplier Intellectual Property**"). Upon completion of the Work, Supplier grants to Ensign a non-exclusive, irrevocable, sub-licensable and fully-paid up license to, use, modify and improve Supplier Intellectual Property. Supplier assigns to Ensign all intellectual property rights in and to the Work (other than Supplier's Intellectual Property rights subject to the license) and agrees to execute and deliver to Ensign such further documents and take such further steps as Ensign may require or consider advisable to evidence such ownership and such assignment, at Ensign's expense, at any time. **SUPPLIER AGREES TO BE LIABLE TO AND SHALL INDEMNIFY AND SAVE HARMLESS ENSIGN FROM AND AGAINST, ANY AND ALL ACTIONS OR CAUSES OF ACTION, CLAIMS, DEMANDS, LOSSES, COSTS, EXPENSES AND LIABILITIES OF ANY KIND WHATSOEVER (INCLUDING LAWYER'S FEES ON A SOLICITOR/CLIENT BASIS) IN WHICH ENSIGN IS MADE DEFENDANT FOR ACTUAL OR ALLEGED INFRINGEMENT OF ANY CANADIAN, U.S. OR OTHER FOREIGN PATENTS OR OTHER INTELLECTUAL PROPERTY RIGHTS, RESULTING FROM THE USE OR SALE OF THE GOODS OR SERVICES PURCHASED HEREUNDER AND FURTHER AGREES TO PAY AND DISCHARGE ANY AND ALL JUDGMENTS OR DECREES WHICH MAY BE RENDERED IN ANY SUCH SUIT, ACTION OR PROCEEDINGS AGAINST ENSIGN.** If any of the goods or services to be provided or performed hereunder constitute an infringement upon the rights of any other person or Ensign's continued use of such item or Supplier's continued performance of such service is enjoined, Supplier shall at its own expense, and at the option of Ensign, either: (a) procure for Ensign the right to continue using such good or receiving such service; (b) replace the good or service with an equivalent non-infringing substitute acceptable to Ensign in its sole discretion; or (c) modify the good or service in a manner acceptable to Ensign in its sole discretion so that it becomes non-infringing.

13. General Indemnity by Supplier: For the purposes of the indemnities herein (including in paragraph 11) "**Ensign**" includes the subsidiary of Ensign who executed the PO, its affiliates and their respective officers, directors, agents and employees, and their respective successors and assigns. **SUPPLIER SHALL BE LIABLE TO ENSIGN AND INDEMNIFY AND SAVE HARMLESS ENSIGN FROM AND AGAINST; ANY AND ALL ACTIONS OR CAUSES OF ACTION, CLAIMS, DEMANDS, LOSSES, COSTS, EXPENSES AND LIABILITIES OF ANY KIND WHATSOEVER (INCLUDING LAWYER'S FEES ON A SOLICITOR/CLIENT BASIS) (COLLECTIVELY, "CLAIMS") ARISING OUT OF, OR CONNECTED WITH: (I) THE PERFORMANCE, NON-PERFORMANCE OR NEGLIGENT PERFORMANCE BY SUPPLIER OF ITS OBLIGATIONS UNDER THE PO, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ENSIGN; (II) THE INACCURACY OF ANY REPRESENTATION AND WARRANTY GIVEN BY SUPPLIER UNDER THE PO; (III) ARISING FROM OR RELATED TO THE BREACH OF SUPPLIER'S WARRANTIES, REPRESENTATIONS, COVENANTS, OR OBLIGATIONS IN THIS AGREEMENT; (IV) LIABILITY ATTRIBUTABLE TO AN ACTUAL OR ALLEGED DEFECT IN THE DESIGN, MANUFACTURE OF, OR WARNINGS AND INSTRUCTIONS INCLUDED WITH PRODUCTS OR SERVICES, SUPPLIER'S PERFORMANCE OF THIS AGREEMENT, OR**

SUPPLIER'S NEGLIGENCE, INCLUDING THE NEGLIGENCE OF SUPPLIER'S EMPLOYEES, CONTRACTORS, AGENTS, OR RESELLERS; OR (V) A BREACH BY SUPPLIER OF ITS CONFIDENTIALITY OBLIGATIONS HEREUNDER.

14. Injury or Damage to Third Parties: SUPPLIER WAIVES ALL RIGHTS OF RECOURSE AGAINST ENSIGN AND AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS ENSIGN FROM AND AGAINST ANY AND ALL CLAIMS MADE BY THIRD PARTIES FOR DAMAGE TO, OR LOSS OF THIRD PARTY PROPERTY, DESIGN AND INJURY TO OR DEATH OF ANY THIRD PARTY, IN EACH CASE TO THE EXTENT CAUSED BY SUPPLIER, AND ARISING OUT OF OR IN RELATION TO THE PERFORMANCE OF THE PO.

15. Supplier's Liability for Ensign's Property: In the event of delivery to Supplier of any property of Ensign for Supplier's fabrication or otherwise as required pursuant to the PO, Supplier shall have the care, custody and control of such property, and shall protect the same from loss or damage until delivered back to Ensign.

16. No Consequential Damages: In no event shall either party be liable to the other party for any special, indirect or consequential damages, whatsoever (including liability based on negligence), including, without limitation, loss of profits or business interruption.

17. On-Site Services: Where Supplier is required to perform services on Ensign's site or Ensign's customer's site, Supplier shall: (a) assume full responsibility for the proper conduct of its representatives while on an Ensign or Ensign-customer location; (b) be solely responsible for the safe performance of the services; (c) coordinate its services with Ensign and other contractors working on the site; (d) comply with all applicable workers' compensation law and other applicable laws; and (e) comply with site specific regulations and policies in force regarding safety, security and other such regulations applicable to activities on the site.

18. Insurance: Supplier shall have in place, and at Ensign's request deliver to Ensign certificates of insurance evidencing, the following minimum coverages, with carriers reasonably acceptable to Ensign:

(a) Comprehensive General Liability insurance – with a minimum limit of \$5,000,000: including coverages for product liability and completed operations, personal injury to or death of third parties, including Ensign personnel and Ensign's other contractors, loss of or damage to property of third parties, including Ensign owned and leased property and property of Ensign's other contractors, contingent employers liability (for work performed in Canada), contractor's protective liability covering liability for work of Supplier's contractors and contractual liability assumed by Supplier.

(b) Comprehensive Automobile Liability Coverage – with a minimum limit of \$2,000,000 per occurrence: including compliance with all applicable governmental requirements and including coverage for all automotive equipment owned, hired or otherwise procured by Supplier.

(c) All Risks insurance to cover physical loss or damage to all goods, materials, machinery or equipment for which Ensign has made an advance or partial payment and shall cover the full replacement cost; with Ensign to be noted as loss payee.

(d) Property insurance covering all loss of or damage to

Suppliers property used in the performance of Services, if such Services are provided on an Ensign location.

(e) Workers' Compensation insurance, to the full extent required by applicable law, including benefits for all employees of Supplier, its subcontractors, and principals engaged in the Services.

(f) For work conducted in the US, Employers Liability insurance – with a minimum limit of \$2,000,000 per occurrence.

(g) If professional services are being rendered, professional liability or "errors and omissions" insurance with a minimum limit of \$5,000,000.

(h) Additional insured status for Ensign and its subsidiaries and affiliates.

Supplier shall cause their underwriter to name Ensign and its subsidiaries and affiliates as additional insureds and provide that the underwriter waive their right of subrogation against Ensign and its subsidiaries and affiliates. Such insurances shall be maintained in effect during performance of the PO, and in the case of professional liability or "errors and omissions" insurance, for a period of 3 years following the provision of services under the PO, and shall not be cancelled or materially changed without 15 days prior written notice to Ensign.

19. Force Majeure: If Supplier is delayed or prevented from performing its obligations under the PO by any cause beyond its reasonable control, for example, natural disaster, act of war or terrorism, riot, labor condition, governmental action, and Internet disturbance that was beyond the party's reasonable control. (excluding any financial inability to perform), Supplier shall notify Ensign, no event later than five (5) days of the occurrence of the event, of the nature, extent, effect, likely duration of such circumstances, and its plan to mitigate such circumstances. Supplier shall make all reasonable efforts to mitigate the effects of such event of force majeure. If the event of force majeure continues for a period of time exceeding ten (10) days, Ensign shall have the right, at its sole option, to terminate the PO for convenience as set forth in Paragraph 20.

20. Termination: Ensign may at any time, without prejudice to any other remedy it may have, terminate the PO, with 24 hours advance notice, for cause.

21. Remedies: If Ensign terminates the PO pursuant to paragraph 20 for cause, Ensign shall, in addition to any rights it may have at law or in equity, be entitled to withhold payment of amounts owing to Supplier until such time as Ensign has, either on its own or by a third party, completed the Work that Supplier was to have done under the PO. Ensign shall be entitled to set-off amounts owing to Supplier against amounts paid by Ensign to a third party (or, if Ensign completes the Work, Ensign's internal costs) incurred to complete the Work Supplier was to have completed under the PO. This right of set-off shall survive the termination of the PO.

22. Termination for Convenience: Ensign may at any time terminate the Work in whole or in part, for the convenience of Ensign upon 5 days written notice from Ensign to Supplier. In the case of such termination, Ensign shall pay Supplier in accordance with the PO only for the portion of Work completed prior to the date of termination.

23. Right to Work In Progress: Upon termination of this PO by Ensign, Supplier shall provide Ensign with access to completed Work and Ensign shall be entitled to remove such Work from Supplier's

premises.

24. Confidential Information: Any and all information provided by Ensign, whether directly or indirectly, shall be received and maintained in strictest confidence and shall not be disclosed to any person, other than Supplier's employees, consultants, sub-contractors and agents who have a need to know.

25. Duty of Confidentiality: Supplier shall take all steps necessary to protect the confidential information from any unauthorized use, reproduction or disclosure, at least to the same extent it would use to protect its own most valuable and confidential information. Supplier shall have no right or license with respect to any confidential information and, upon the request of Ensign, shall return the same to Ensign and destroy upon request. Supplier shall be responsible for any breach of these confidentiality provisions by its employees or any other person to whom Supplier is permitted to disclose the confidential information hereunder. Supplier acknowledges that Ensign will be irreparably harmed by a breach of these confidentiality provisions and that any such breach cannot be adequately compensated for by damages. Ensign shall be entitled to equitable relief, including injunctive relief or specific performance, in the event of any such breach.

26. General: Any reference to currency in these terms and conditions shall be in the currency referenced in the PO. The PO shall be governed by and construed in accordance with the laws of the Province or State of the head office of the Ensign subsidiary or affiliate executing the PO, and the parties hereto agree to attorn to the jurisdiction of the courts of such Province or State. Ensign shall have the right to set off and apply any monies due Supplier toward the payment of any sums which Supplier may now or hereafter owe to Ensign (as defined in Section 13). During the performance of Work, Supplier shall comply with Ensign's *Code of Integrity, Business Ethics and Conduct* and Ensign's *Anti-Corruption and Anti-Bribery Policy*. No term, condition, obligation or breach of the PO shall be waived or be deemed to have been waived unless such waiver is stated in writing, addressed to and accepted by the authorized representative of the other party. If any of the provisions of this PO are determined to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired thereby. Supplier may not assign any of its rights or obligations hereunder without the prior written consent of Ensign. Supplier shall not subcontract the whole, or any part of the PO to any third party. The PO is binding on Ensign and Supplier and their respective successors and permitted assigns. Time is of the essence in the PO.