

1. DEFINITIONS

- 1.1 "Affiliate" means any person who: (i) controls either directly or indirectly a party; or (ii) is controlled directly or indirectly by such party; or (iii) is directly or indirectly controlled by a person who directly or indirectly controls such party. "Control" and related terms including "controlling" and "controlled" shall mean (for the purposes of the definition of "Affiliate" only) the possession, direct or indirect of: (i) in the case of a corporation, the power to vote more than 50% of the securities having ordinary voting power for the election of directors of such corporation; and (ii) in the case of a partnership (general or limited), joint venture or other person, either (1) the power to exercise more than 50% of the voting rights in such person; or (2) the power to cause the direction of the management and policies of such person. "Person" shall include (for the purposes of the definition of "Affiliate" only) an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative.
- 1.2 "Claim(s)" means, any and all actions, proceedings claims, demands, losses, costs, damages, penalties, fines, remedial obligations, interest, legal and other expenses of whatever nature, including legal fees on a solicitor-client basis.
- 1.3 "Consequential Damages" means any or all loss of product, production, revenue, profits (actual or anticipated), use, business opportunity, and consequential loss of any similar kind arising out of or in connection with this Purchase Order.
- 1.4 "Delivery Date" means the date(s) by which Seller shall deliver the Goods and complete the Work (if any), as specified in this Purchase Order.
- 1.5 "Delivery Point" means the location to which Seller shall deliver the Goods, as specified in this Purchase Order.
- 1.6 "Cenovus" means Cenovus Energy Inc., Cenovus FCCL Ltd. as Operator for FCCL Partnership, Cenovus TL ULC as Operator for Telephone Lake Partnership, Bruderheim Energy Terminal Ltd., or any Affiliate identified in the Purchase Order.
- 1.7 "Cenovus Policies" means the policies and practices set out in "Contractor Connection" located on www.cenovus.com and such other policies and practices and amendments, as are identified by Cenovus to Seller from time to time.
- 1.8 "Goods" means all goods, materials, equipment, supplies, component(s), software and information to be supplied by Seller as specified in this Purchase Order.
- 1.9 "herein"/"hereunder" means in/under this Purchase Order.
- 1.10 "include(s)"/"including" means include(s)/including without limitation.
- 1.11 "Laws" means all applicable federal, provincial, state, territorial and municipal laws, by-laws, statutes, regulations, rules, orders, ordinances, directives, permits, standards, codes and licenses.
- 1.12 "Purchase Order" means the face of this Purchase Order, these Terms and Conditions, specifications, drawings and attachments, exhibits and documents referenced therein.
- 1.13 "Purchase Price" means the price for Services set forth in this Purchase Order.
- 1.14 "Representatives" means the employees, subcontractors, suppliers, contractors, agents, invitees and any other representatives of a party.
- 1.15 "Seller" means the party named in the Purchase Order as the supplier of Services to Cenovus.
- 1.16 "Services" means the Work and Goods.
- 1.17 "Warranty Period" means (i) in the case of Goods, the period commencing on the date that Cenovus accepts physical possession of the Goods, or if installed by Seller, the date of such installation, and ending eighteen (18) months thereafter; and (ii) in the case of Work, the period commencing the date Seller completes such Work or Cenovus accepts the Work, whichever is later, and ending twelve (12) months thereafter.
- 1.18 "Work" means the services, work or task to be performed for Cenovus as specified in this Purchase Order.

2. ACCEPTANCE

- 2.1 Seller's verbal or written acceptance of the Purchase Order or Seller's performance of any Services shall constitute acceptance of the Purchase Order in its entirety. Upon such deemed or actual acceptance, Seller shall comply with the terms and conditions of this Purchase Order.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS

- 3.1 Seller expressly represents and warrants that all Services shall during the Warranty Period:
 - 3.1.1 be free of any liens, encumbrances or claims and Seller has full right and authority to sell the Goods;
 - 3.1.2 conform to Cenovus' specifications (including any performance guarantees), be fit for the intended purpose where a purpose is identified or, where no such purpose is identified, fit for its ordinary purpose, be of at least acceptable industry standards, be of good material and workmanship and be free from defects in design, materials and workmanship;
 - 3.1.3 be new and of the best quality in every respect, unless otherwise specified in the Purchase Order;
 - 3.1.4 comply with all Laws, including those pertaining to manufacturing, supply and delivery, and meet or exceed the minimum standards required by the Canadian Standards Association and any applicable governmental authorities; and
 - 3.1.5 comply with the standards set out in section 4.1.
- 3.2 Seller shall assign to Cenovus all subsisting assignable warranties relating to the Services, including warranties of dealers, manufacturers, sellers, suppliers, installers, subcontractors and providers of maintenance and overhaul facilities. If any

such warranties are not assignable, Seller will take such action, at its own expense, as Cenovus may reasonably request to enforce any such warranties.

4. PERFORMANCE AND POLICY

- 4.1 Seller shall perform and complete all Services hereunder in an efficient, skilful, diligent, workmanlike, professional and competent manner in accordance with good business and technical skills applicable to such Services and the Seller's expertise, and in accordance with generally accepted industry standards, unless a higher standard has been specified, in which case the higher standard shall apply.
- 4.2 Seller shall furnish all skills, labour, supervision, parts, equipment, materials, personal protective equipment, and supplies required therefore at its own cost and expense unless otherwise expressly stated.
- 4.3 Seller shall promptly pay all amounts due for labour, parts, equipment, materials and supplies in the performance of the Services hereunder. If any lien or charge is registered in respect thereof, Seller, at its sole expense, shall promptly effect its discharge.
- 4.4 Seller shall obtain and maintain all permits and licenses required to authorize it to perform its obligations hereunder.
- 4.5 Seller shall abide by all security agreements put in place at Cenovus' places of business. Seller warrants that all software and document files provided by Seller and used in the performance of Services are virus free.
- 4.6 Seller shall avoid situations where any of its interests conflict, could potentially conflict or could appear to conflict with its obligations and duties to Cenovus. Seller shall immediately advise its Cenovus supervisor of any actual, potential or perceived conflict of interest situation that it becomes aware of.
- 4.7 In performing its obligations hereunder, Seller shall comply with the Laws and the Cenovus Policies, including those pertaining to environmental, health and safety. Seller shall have strict regard for any hazards identified in the site orientation.
- 4.8 Seller shall ensure that its Representatives are aware of and comply with all of Seller's obligations hereunder.
- 4.9 In the event of any conflict between the Law, Cenovus Policies and industry standards, the stricter or higher standard shall apply.

5. SERVICES

- 5.1 For Services conducted on a Cenovus worksite: (1) Seller shall have in place environmental, health, safety and drug and alcohol programs which comply with all Laws, Cenovus Policies and industry standards. Cenovus may audit such Seller programs; and (2) Seller shall interfere minimally with the operations of Cenovus and other contractors, and shall adequately protect all persons and property of Cenovus and others from damage, injury or loss. Seller shall leave the worksite clear of its tools, equipment, and waste. Seller shall immediately notify Cenovus of any accident in connection with the provision of the Services.
- 5.2 All documentation, analysis, compilations, studies, reports, data, charts, digital media, drawings, sketches, calculations, correspondence, maps or other information developed, prepared or compiled by Seller for Cenovus in providing the Services shall be Cenovus' exclusive property for use by Cenovus without limitation. Any drawings, specifications, documents or data furnished by Cenovus to Seller shall remain the property of Cenovus and shall be promptly returned to Cenovus upon completion of the Services unless otherwise specified in writing by Cenovus.
- 5.3 Seller shall ensure that all tools, machinery and equipment used in providing the Services are maintained and used in accordance with manufacturer's specifications and recommendations and good engineering and operational practices.

6. PACKING AND SHIPPING

- 6.1 Seller shall comply with all Laws, Cenovus Policies and industry standards respecting the safe and proper handling, packing, transportation, cartage, delivery, use or mode of employment of the Goods.
- 6.2 Seller shall provide Cenovus with all relevant information concerning the safe and proper mode of employment, handling, use and implementation of Goods and Cenovus shall have the full right to duplicate and use such information, including drawings, manuals and technical documentation, for any purpose relating to the safe and proper mode of employment, handling, use and implementation of the Goods, including the purchase and repair of replacement parts.
- 6.3 Seller shall identify hazardous or toxic Goods with warning labels and shall provide Cenovus with written instructions concerning potential hazards in connection with the Goods and recommend procedures for the handling, transportation and maintenance of such Goods. Where applicable, Seller shall ensure that the Goods are properly classified in accordance with Workplace Hazardous Materials Information System legislation and shall provide health and safety data for such Goods.

7. DELIVERY

- 7.1 Seller shall deliver Goods to the Delivery Point by the Delivery Date. In addition to Cenovus' other rights and remedies, if Seller fails to do so, then at Cenovus' sole discretion, Seller shall indemnify Cenovus for any resulting Claims (including any pre-estimate of damages expressly identified in this Purchase Order) and this Purchase Order shall remain in full force and effect, or Cenovus may cancel all or a portion of the Purchase Order and purchase the Goods elsewhere and Seller shall reimburse Cenovus for the cost of the Goods and any other resulting Claims and Cenovus shall have no further liability to Seller in respect of such Goods.
- 7.2 Cenovus is not obligated to accept any Goods that do not comply with any provision of this Purchase Order. Cenovus is not required to accept partial or incomplete delivery, unless the parties have agreed to delivery by instalments and delivery is performed in accordance with such agreement. Acceptance of any partial delivery shall not bind Cenovus to accept any future shipments.

8. INSPECTION OF GOODS

- 8.1 Upon reasonable notice during regular business hours Cenovus or its nominee shall have full access to the place where Goods are being manufactured and the right to

inspect and test all materials being incorporated into the Goods. Any inspection, acceptance or testing of Goods by Cenovus, or failure to do so, shall not relieve Seller of its obligations hereunder. Cenovus may cancel all or any part of this Purchase Order, notwithstanding acceptance, testing or inspection of Goods.

9. TITLE AND RISK OF LOSS

9.1 Title to the Goods (which do not form part of the Work), or part thereof, shall be vested in Cenovus when the first of the following events occurs: a) the Goods, or part thereof, are first identifiable as being appropriated to the Purchase Order; b) Cenovus pays for the Goods, or part thereof; or c) the Goods, or part thereof, are delivered to the Delivery Point.

9.2 Care, custody, control and risk of loss of the Goods shall remain with the Seller until Cenovus takes physical possession and accepts delivery of the Goods.

9.3 Title to Goods which form part of the Work shall pass to Cenovus upon the earlier of delivery to the Cenovus site or incorporation into the facility. Seller shall be solely responsible for all loss, damage or destruction of such Goods and the Work in progress until the Work is completed and accepted by Cenovus. Seller shall promptly replace all Goods so lost, damaged or destroyed at its sole risk and expense.

9.4 Acceptance of title and risk by Cenovus shall not prejudice any rights or remedies of Cenovus hereunder or at law, regardless of any receipt executed by Cenovus.

10. CHANGES

10.1 Cenovus may, at any time, upon written or verbal notice to Seller, make any changes to the Purchase Order (including changes pertaining to quantity, quality, nature, timing and delivery). If any change increases or decreases the cost or time required for Seller's performance then, as soon as practicable, Cenovus and Seller shall agree to an equitable adjustment to the Purchase Price and/or delivery schedule, as applicable. Seller shall not delay the performance of its obligations hereunder while the parties settle issues of price and performance. Seller shall not, without Cenovus' prior written authorization, alter, substitute or add to the Services. Seller is not entitled to payment for unauthorized Services.

11. PRICE AND TAXES

11.1 Unless otherwise specified in the Purchase Order, the Purchase Price includes all charges for the Services and any ancillary items necessary to complete the Services. The Purchase Price shall include packing, crating, marking, transportation, bracing and dunnage, unloading, assembly, installation, fees or charges of any kind incurred by Seller and profit, and Cenovus shall not be charged additional amounts. The Purchase Price shall be fixed unless otherwise stated.

11.2 The Purchase Price shall exclude duties and assessments of any kind, GST/HST, PST, any other tax on the recipient of goods and services and any other sales or similar taxes. All such taxes and charges shall be shown as separate items on Seller's invoice and the invoice shall bear Seller's GST/HST and PST registration numbers if applicable.

11.3 Seller is exclusively liable for and shall pay before delinquency all taxes, assessments, duties, lienable claims, charges or other impositions imposed or levied on Seller or Cenovus in respect of the Services furnished hereunder (except GST/HST or PST payable by Cenovus) and Seller shall indemnify Cenovus against all Claims incurred due to Seller's failure to do so.

12. PAYMENTS AND INVOICES

12.1 Unless otherwise stated in the Purchase Order, Seller shall submit its invoices for completed Work after inspection and approval of the Work by Cenovus and for Goods after the Goods have been delivered to the Delivery Point and accepted by Cenovus. Cenovus shall pay any portion of the invoices not subject to withholding, deduction or set off within 90 days of receipt, provided the invoices show a complete and accurate statement of charges, net of any discounts received or given by Seller, and conform to the Purchase Order.

12.2 Invoices shall only contain charges based on the Purchase Price, shall comply with Article 11 and shall be accompanied by all applicable work tickets, third party invoices and any other supporting documentation requested by Cenovus.

12.3 Invoices shall be submitted to the address identified in this Purchase Order, and shall set out the Seller's vendor number, the Cenovus business contact name, the Cenovus business unit and any other billing information requested by Cenovus.

12.4 Any discounts shall be computed from the date Cenovus receives an invoice in compliance with this Purchase Order.

13. WITHHOLDING PAYMENT, DEDUCTIONS AND SET-OFF

13.1 Cenovus may, in its sole discretion, withhold payments or deduct amounts due to Seller without liability or interest: a) until satisfied as to the quality and performance of the Services and/or the payment of all amounts required to be paid by Seller under this Purchase Order including all payments for labour, services, materials and supplies; b) for any claim or liabilities which may be the basis of a Claim made by a third party; c) for any other matter in dispute until the dispute is settled; d) for any costs incurred by Cenovus due to Seller's negligence or breach of its obligations hereunder; and e) in accordance with any Law, including holdbacks for labour or materials.

13.2 Any amount withheld or deducted shall correspond to the amount in issue, as determined by Cenovus in its sole discretion, to the extent it deems necessary, and any payments or adjustments in respect of such amount shall be made in accordance with the resolution of the matter in issue. Cenovus may deduct and set-off any amounts owed by Cenovus to Seller hereunder, from any amount owed to Seller by Cenovus under any contract Cenovus has with the Seller.

14. REMEDIES

14.1 If any Services are not provided in accordance with the provisions of this Purchase Order, including any specifications made by Cenovus pertaining to quality, quantity, Delivery Date and Delivery Point, and any other representations and warranties, Cenovus shall be entitled to any or all of the following remedies, without prejudice to any other right or remedy that Cenovus may have:

14.1.1 at any time cancel or suspend all or any part of the Purchase Order;

14.1.2 reject the Goods and return them to Seller at Seller's sole risk and expense on Seller's instructions. If Seller does not provide instructions within a reasonable time after request then the Goods will be disposed of as determined by Cenovus at Seller's risk and expense. Upon request Seller shall promptly refund to Cenovus any money paid for Goods that are returned or disposed of;

14.1.3 require Seller to remediate any of the deficiencies as follows:

14.1.3.1 Cenovus shall notify Seller of any deficiencies in the Services and Cenovus shall, at its convenience, make the deficient Services available to Seller for remediation. Seller, at its sole cost, risk and expense, shall thereafter promptly and within a time frame acceptable to Cenovus, correct any defect, including repairing or replacing any defective parts (which decision to repair or replace shall be at Cenovus' discretion), and re-performing any Services. Seller shall re-perform any performance tests that may be required for the achievement of the performance guarantees;

14.1.3.2 If, after 3 (three) days notice to Seller, the deficiency is not corrected or Cenovus is of the opinion, in its sole discretion, that it cannot be corrected by Seller within a time acceptable to Cenovus, Cenovus may correct the deficiency and the total cost of such correction, including all labour, materials, transportation, services, including re-performance of Services and any performance tests, shall be charged to Seller;

14.1.3.3 Notwithstanding sections 14.1.3.1 and 14.1.3.2, if remediation of a deficiency is required on an urgent basis, Cenovus may notify Seller to remediate it on an urgent basis. If Cenovus is of the reasonable opinion that Seller will be unable to remedy the deficiency within the time required by Cenovus, Cenovus may correct the deficiency and the total cost of such correction, including all labour, materials, transportation, services, including re-performance of Services and any performance tests, shall be charged to Seller.

14.2 The obligation to remediate deficiencies in the Services shall continue and survive until the deficiencies are corrected, notwithstanding the expiry of the initial Warranty Period. Any deficiencies that are corrected pursuant to section 14.1.3 shall be subject to remediation on the same basis as provided in this Article 14 for a further 12 months after the correction of such deficiencies.

15. INFRINGEMENT

15.1 Seller shall not provide Services which infringe any trade secret, trademark, copyright, patent, confidential know-how, moral rights or other intellectual property rights ("Intellectual Property") rights of a third party.

15.2 If all or any portion of the Services infringe any third party Intellectual Property rights then Cenovus shall be entitled, in its sole discretion to:

15.2.1 Terminate the Purchase Order in accordance with section 18.1.1 or suspend it in accordance with Article 20; or

15.2.2 Require Seller, at no expense to Cenovus and within a time frame acceptable to Cenovus, to a) procure for Cenovus the right to use such infringing third party Intellectual Property; or b) replace or modify those Services containing such Intellectual Property to make such Services non-infringing, while yielding substantially equivalent results to the Services as specified in the Purchase Order.

15.3 Seller shall defend, indemnify and save harmless Cenovus from and against all Claims which Cenovus may suffer, sustain, pay or incur in connection with or arising out of actual or alleged infringement in connection with the Services.

16. LIABILITY AND INDEMNITY

16.1 Seller shall:

16.1.1 Be liable to Cenovus and its Affiliates, and their respective Representatives, directors and officers (in the remainder of this Article called "Cenovus") in respect of; and

16.1.2 Indemnify and hold Cenovus harmless from and against

any and all Claims which may be brought against or suffered by Cenovus or which it may sustain, pay or incur by reason of any matter or thing arising out of or in any way attributable to any a) breach of this Purchase Order by Seller; or b) negligent acts or omissions, other tortious acts, strict liability offences or willful misconduct of Seller or any of its Representatives, or any of their respective directors and officers in connection with, related to or arising out of the performance, purported performance or non-performance of this Purchase Order including any relating to or resulting from: (i) deficient or defective Services, (ii) damage or destruction to property, (iii) imperfections in material furnished by Seller or Cenovus (if reasonably obvious) or equipment, (iv) environmental damage (v) Intellectual Property rights (including infringement), (vi) confidentiality obligations (vii) non-compliance with Laws or Cenovus Policies (including any pertaining to environment, health or safety) (viii) any alleged claim, lien or encumbrance arising in connection with the Purchase Order (ix) failure to pay when due taxes, duties and other like charges for which Seller is responsible, or (x) any cause whatsoever, except to the extent otherwise provided in the remainder of this Article 16.

16.2 Subject to section 16.3, neither party shall be liable to the other for Consequential Damages.

16.3 Nothing herein shall exclude or limit Seller's liability for Claims sustained or incurred by Cenovus as a result of third party Claims against Cenovus that arise out of the performance, non-performance or purported performance of this Purchase Order by Seller or its Representatives.

16.4 In addition to any rights and remedies of Cenovus (including damages), Cenovus shall be entitled to injunctive and other equitable relief in order to protect Cenovus' rights and property as set out in Articles 19 (Use of Name) and 21 (Confidentiality).

16.5 Cenovus shall have the right at its option to participate in the defence of any Claim against Cenovus without relieving Seller of its obligations hereunder in respect of the defence of such Claim and costs thereof.

17. INSURANCE

- 17.1 If Seller performs any Services on a Cenovus site, then Seller shall, without limiting any of its obligations or liabilities hereunder, obtain and continuously carry for the duration of the Services and cause its subcontractors to obtain and carry at all times the following insurance, with insurers satisfactory to Cenovus in the amounts stated below, unless higher amounts are specified by Cenovus:
 - 17.1.1 Workers' Compensation coverage in accordance with the applicable jurisdiction, and, if not covered by Workers Compensation, Employers' Liability Insurance (with limits not less than \$ 1,000,000.00 per occurrence) covering Seller and all Representatives performing Services;
 - 17.1.2 Commercial General Liability Insurance with a combined single limit of not less than \$5,000,000.00 for each occurrence or incident, including coverage for bodily injury and death and personal injury, injury or destruction of property (including loss of use or occupancy), contractual liability, tortious liability, contractor's protective liability, products liability, completed operations liability, cross liability, severability of interest, non-owned automobile liability and occurrence basis property damage;
 - 17.1.3 If motor vehicles are used in the course of performing the Services, automobile liability insurance covering all motor vehicles owned, or non-owned, operated, used or hired with an inclusive bodily injury, death and property damage limit of not less than \$2,000,000.00 per occurrence;
 - 17.1.4 such other insurance as may be required by Cenovus, which may include coverage for construction machinery, aircraft or watercraft.
- 17.2 Seller's insurance policies set out in section 17.1 (excluding Workers' Compensation and automobile liability insurance) shall include Cenovus and its Affiliates and their respective directors, officers, employees, sellers and agents as additional insureds, and shall waive any rights of transfer or subrogation against Cenovus and the additional insureds, to the extent of Seller's liabilities and indemnities hereunder.
- 17.3 Seller shall be responsible for all deductibles in its insurance policies.
- 17.4 Upon request, Seller shall provide Cenovus with valid certificates of insurance confirming that such insurance is in full force and effect.
- 17.5 Seller shall ensure that the insurance policies above-referenced contain a provision requiring insurer to give Cenovus not less than 30 days prior written notice of cancellation or material change. The insurance maintained by Seller hereunder shall be primary to any other insurance available to the extent of Seller's liability and indemnity obligations hereunder.

18. TERMINATION

- 18.1 Cenovus may, upon giving written notice to Seller:
 - 18.1.1 immediately terminate all or any part of this Purchase Order upon Seller being subject to any insolvency, receivership, reorganization, bankruptcy or similar proceedings; Seller being in breach of any of its obligations hereunder and failing to cure such breach within the time expressly provided for in this Purchase Order, and if no such time is provided for, within 3 (three) calendar days, or any other shorter or longer time specified by Cenovus after receipt of notice; or if Seller assigns, subcontracts, or transfers any of its rights or obligations hereunder without Cenovus' prior written consent; or
 - 18.1.2 terminate the Purchase Order or any part thereof immediately without cause.
- 18.2 Upon receipt of notice pursuant to section 18.1, Seller shall cease all operations hereunder except as directed by Cenovus and take all reasonable steps to mitigate any resulting costs or losses.
- 18.3 In the event of termination pursuant to section 18.1.1, Cenovus shall pay Seller for those Services properly provided up to the effective date of termination, less any reasonable costs incurred by Cenovus in having the Services provided by others and less any other reasonable amounts properly chargeable against Seller. In the event that such results in a credit to Cenovus, Seller shall immediately refund such amount to Cenovus.
- 18.4 In the event of termination pursuant to section 18.1.2 and unless otherwise stated, Cenovus' only obligation to Seller shall be to pay Seller for its reasonable and substantiated direct costs for Services provided up to the effective date of termination and any costs incurred or committed to by Seller that are neither cancellable nor recoverable and for which Cenovus has not otherwise already paid.
- 18.5 Upon termination of the Purchase Order, Cenovus shall have no further liability to Seller except for the payments pursuant to sections 18.3 and 18.4 above and Cenovus shall not be liable to Seller for any Claims, including Consequential Damages, resulting from termination.
- 18.6 Articles 16 (Liability and Indemnity), 19 (Use of Name); 21 (Confidentiality) and 28 (Limitations Act) shall survive termination or completion of the Purchase Order.

19. USE OF NAME

- 19.1 Seller shall not use the name, logos or trade marks of Cenovus or any of its Affiliates in any advertising, promotional material or publicity release (in any media whatsoever, including electronic or web-based) without Cenovus' prior written consent.

20. SUSPENSION

- 20.1 At any time Cenovus may suspend the performance of Seller's obligations hereunder, with or without cause.

21. CONFIDENTIALITY

- 21.1 Seller shall, and shall cause its Representatives to, keep secret and confidential during the performance of the Services and for a period of 5 (five) years thereafter all information, written or oral, received from Cenovus or any other source which is or may be either applicable or related in any way to the assets, business or affairs of Cenovus or its Affiliates, and shall not disclose such information to any third party or use it for any purpose other than for the performance of the Services. Such confidence shall not apply to information: (a) which at the time of disclosure is in the public domain; (b) which after disclosure is published or otherwise becomes part of the public domain through no fault of Seller or any of its Personnel (but only after it is published or otherwise becomes part of the public domain); (c) not subject to any confidentiality obligations, and which Seller can show was in its possession prior to disclosure hereunder; (d) which Seller can show was received after the time of

disclosure hereunder from a third party who did not require that it be held in confidence and who did not, to Seller's knowledge, acquire it, directly or indirectly, from Cenovus or a third party under an obligation of confidence; or (e) which was independently developed and Seller can provide written evidence thereof. Seller shall comply with any other reasonable confidentiality requests of Cenovus which may include execution of a confidentiality letter or agreement.

22. MILITARY RANGE INSTRUCTIONS

- 22.1 Where Services are provided on the Suffield Military Range in south-eastern Alberta, Seller acknowledges receipt of and shall ensure compliance with "Instructions To All Oil and Gas Personnel including Farmeers, Sellers, Service Companies, Consultants And Others Working In Or Entering The Suffield Block.
- 22.2 Where Services are provided on the Cold Lake Air Weapons Range in north-eastern Alberta, Seller acknowledges receipt of and shall ensure compliance with "Instructions to all Cenovus Personnel including Partner Companies, Sellers, Service Companies, Consultants And Others Working within Or Entering The Cold Lake Air Weapons Range (CLAWR) and "Chapter 7 of Special Range Orders for Alberta Energy Company Ltd.", or any directions of "Cenovus Range Safety and Coordination Centre", as the case may be.
- 22.3 If Seller breaches any of its obligations in this Article 22, Cenovus shall be entitled to immediately terminate the Purchase Order and, at Seller's cost and risk, to take whatever other action it deems appropriate to remedy such breach. Reference to the above documents includes those that supplement, amend, or replace such documents.

23. AUDIT

- 23.1 Upon providing written notice to Seller, at any time during normal business hours until 3 (three) years after completion of the Services or earlier termination of this Purchase Order, Cenovus or its nominees shall have the right to inspect and audit the Seller's records and accounts in relation to Seller's obligations hereunder, and in relation to duty and tax payments (for the purpose of recovering any potential overpayments or for the purpose of obtaining relief from government authorities on any payments for duty or taxes assessed on the Goods).
- 23.2 For a period of 3 (three) years after completion of the Services or earlier termination of this Purchase Order Seller shall maintain accurate and complete records and accounts pertaining to the Services and shall preserve them until any claims or discrepancies are resolved, notwithstanding the aforesaid 3 (three) year retention period. Seller shall provide copies of invoices, product literature, customs documents, returns and any other documents as required to support claims filed by Cenovus. Seller shall respond to any claim resulting from the audit within 30 days of receipt and shall rectify the matter or reimburse Cenovus appropriately.

24. INDEPENDENT CONTRACTOR

- 24.1 Seller shall be an independent contractor with respect to the performance of this Purchase Order and shall not hold itself out as Cenovus's agent or representative.

25. ASSIGNMENT AND SUBCONTRACTING

- 25.1 Seller shall not assign, subcontract, or transfer any of its rights or obligations hereunder without Cenovus's prior written consent.

26. FORCE MAJEURE

- 26.1 Either party shall be excused from performance of this Purchase Order when and to the extent performance is delayed or prevented by any occurrence, without any fault or negligence of the claiming party, that is beyond reasonable control and cannot be prevented or mitigated ("force majeure"). The party wishing to invoke this Article 26 shall promptly notify the other in writing of the cause, upon which it relies, including reasonably full particulars in respect thereof and likely duration of such circumstances.
- 26.2 Seller shall give Cenovus written notice if the Services are, or will likely be, delayed for more than 7 (seven) days due to force majeure, in which case Cenovus may either cancel all or a portion of Purchase Order or authorize any necessary delays and adjustments (including reductions in quantity, nature or extent of the Goods or Services ordered) and in no event shall Cenovus be liable to Seller for any Claims, including Consequential Damages.

27. NOTICES

- 27.1 All communication given hereunder shall be in writing and may be delivered personally or by facsimile, e-mail, courier or registered mail to the recipient's address set out on the face hereof.
- 27.2 Any notice or other communication delivered personally or by courier shall be deemed to have been given on the date delivered, any delivery by facsimile or e-mail shall be deemed to be given as at the commencement of the next following business day, and any notice or other communication given by prepaid mail shall be deemed to have been received on the 5th business day following deposit in the mail. In times of labour strikes or slow-downs affecting the mail delivery, notice shall be effective only if delivered. Any party may change its address for service by notice in writing served as set out above.

28. LIMITATIONS ACT

- 28.1 The 2 year period for seeking a remedial order under section 3(1)(a) of the Limitations Act, R.S.A. 2000 c. L- 12, as amended, for any claim (as defined in the Act) arising in connection with this Purchase Order is extended:
 - 28.1.1 for claims disclosed by an audit, to 2 years after the time this agreement permitted that audit to be performed; or
 - 28.1.2 for all other claims, to 4 years.

29. GENERAL PROVISIONS

- 29.1 This Purchase Order is the entire agreement between Seller and Cenovus respecting the subject matter and supersedes and replaces all other prior written or oral agreements between the parties (or any of their predecessors) respecting the subject matter and shall only be amended by both parties in writing. In the event of any conflict between the terms and conditions of this Purchase Order and any other document, or the face page of the Purchase Order, the terms and conditions of this Purchase Order shall take precedence. Although Cenovus may from time to time sign or receive Seller's field tickets, forms for receipt, acknowledgements,

documentation, terms of service or similar forms, the terms and conditions associated with such forms or similar forms (by whatever title) shall not amend, modify, waive or release any aspect of this Purchase Order and Cenovus rejects any terms and conditions contained in any document which has been or may be provided by Seller to Cenovus.

- 29.2 This Purchase Order shall be governed by the laws of the Province of Alberta (excluding conflicts of laws) and the parties hereto each irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.
- 29.3 This Purchase Order shall be subject to the Laws pertaining to the locations where the Services are provided, including those jurisdictions through which Goods are transported.
- 29.4 If any provision of this Purchase Order is or becomes illegal, invalid or unenforceable, such provision shall be deemed to be separate and severable from this Purchase Order and in all other respects this Purchase Order shall continue in full force and effect.
- 29.5 The parties hereto expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods.
- 29.6 Cenovus shall be entitled to strict performance of Seller's obligations hereunder, and such right shall not be affected by any prior waiver, forbearance or course of dealing. Any waiver by Cenovus of its rights hereunder shall not be binding unless in writing and signed by Cenovus.
- 29.7 Time shall be of the essence for the provision of the Services.
- 29.8 The rights and remedies herein are cumulative and are not exclusive of any rights or remedies provided in law, equity or otherwise and shall extend to Cenovus, its successors, and assigns.
- 29.9 The covenants, conditions, provisions and warranties contained in this Purchase Order shall not terminate upon supply of the Goods or performance of the Work, but to the extent that they have not been fulfilled and satisfied, shall remain in full force and effect.
- 29.10 The Purchase Order may be executed and delivered by the parties in counterpart (each of which shall be considered for all purposes an original) and by facsimile and when a counterpart has been executed and delivered by each of the parties, by facsimile or otherwise, the counterparts shall together constitute one agreement.
- 29.11 Cenovus FCCL Ltd. has been appointed and authorized by FCCL Partnership, and Cenovus TL ULC has been appointed and authorised by Telephone Lake Partnership (each individually and as the context requires, the "Partnership") to administer the assets of the Partnership on behalf of the Partnership and to represent the Partnership in all respects in relation to the operation of the Partnership's assets. Except as expressly provided for in this Agreement, the provisions of this Agreement are for the benefit of the Parties and the Partnership.