

**1. Definitions:**

- (a) **“Applicable Laws”** means all federal, state, municipal, local and other laws, standards, codes, regulations and ordinances in effect at the time the Services are performed, including without limitation those relating to supply, delivery, labour and taxes.
- (b) **“Bill of Lading”** means Carrier’s standard form bill of lading which complies with Applicable Laws and meets or exceeds industry standards.
- (c) **“Carrier”** means the carrier of Goods as set forth in the PO, along with all personnel, carriers, agents, subcontractors (where approved by Strad in writing) and invitees involved in such supply. Carrier’s duties may include procurement and brokering duties, as agreed by the parties.
- (d) **“Delivery Date”** means the date(s) by which Carrier shall deliver the Goods and/or complete the Services, as applicable, as specified in the PO.
- (e) **“Delivery Point”** means the location to which Carrier is to deliver the Goods as specified in the PO.
- (f) **“Dispute”** means a dispute, controversy or claim arising out of or relating to this PO, or to the breach, termination or invalidity hereof.
- (g) **“Dispute Notice”** means a written notice delivered from either party to the other party which identifies a Dispute.
- (h) **“Equipment”** means any equipment and vehicle(s) used by Carrier to perform the Services.
- (i) **“Goods”** means the equipment, material, components and other goods to be transported by Carrier from the Pick-Up Point to the Delivery Point as set forth in the PO.
- (j) **“Permitted Subcontractor”** means a subcontractor of Carrier whom Strad has authorized in writing to perform a portion or all of the Services.
- (k) **“Pick-up Point”** means the specific pick-up point(s) set forth in the PO.
- (l) **“Price”** means the agreed price for the Services as set forth in the PO, and unless otherwise specified in the PO, includes other fees or charges of any kind incurred by Carrier, as well as its profit.
- (m) **“Purchase Order”**, or **“PO”**, means the Purchase Order, these Terms and Conditions and any other specifications or instructions provided by Strad.
- (n) **“Services”** means the transportation, hauling packing, crating, marking, bracing and dunnage, unloading, assembly, installation, procurement, brokering and other services to be performed by Carrier as set forth in the PO.
- (o) **“Strad”** means Strad Oilfield Services Inc., or any of its affiliates or subsidiaries.
- (p) **“Strad Property”** means any property owned, operated, maintained, possessed or used by Strad or its customers.

**2. Scope:** If a master agreement exists between Strad and Carrier to govern the Services, the terms and conditions of such master agreement shall be read in conjunction with the PO; however, where they are in conflict the master agreement shall prevail. If Applicable Laws prescribe that the PO is deemed to incorporate certain terms as set out in a Bill of Lading issued by Carrier in connection with Carrier’s Services,

the PO shall incorporate such terms and conditions with respect to such Services, but only to the extent prescribed by such Applicable Laws. The PO is binding upon the earlier of (i) Carrier signing and returning written acceptance of the PO, or (ii) Carrier commencing work under the PO.

**3. Carrier Obligations:**

- (a) Services are to be supplied at the Delivery Point(s) and by the Delivery Date(s) set forth in the PO. Carrier shall comply at its own expense with all Applicable Laws (including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections) in all jurisdictions where Carrier operates and/or where the Goods and Services are transported or delivered, including but not limited to those respecting safety, proper handling, transportation, cartage and delivery. Carrier shall comply with Strad’s instructions and, where applicable, its corporate policies regarding workplace conduct, worksite access, health and safety, contractor orientation, computer systems security, privacy and the environment as updated from time to time.
- (b) Carrier shall perform its obligations under the PO in an efficient, skillful, diligent and workmanlike manner and shall provide all skills, labour, supervision, equipment, materials and personal protective equipment required to do the same. Carrier shall promptly pay all debts incurred for labour, services, equipment and materials in its performance under the PO and shall ensure that no liens, encumbrances or claims attach to the Goods or any Strad Property.
- (c) Carrier shall take all necessary measures when transporting dangerous goods, radioactive materials and explosives to protect the environment, to ensure the health and safety of the public and in compliance with Applicable Laws. Carriers are required to be equipped with personal protective equipment prior to reaching the Delivery Point as well as 2 way radios where required. Where Carrier enters upon a Strad Property, it shall ensure that it has familiarized itself with all safety hazards, completed all required orientation and is in compliance with all environmental, health and safety laws, regulations or other requirements. Carrier shall ensure that its performance of the Services does not interfere with the operations of Strad or other contractors and that it has taken all necessary precautions to prevent damage or injury to all persons and property on any worksite. Should an accident occur, Carrier shall immediately notify Strad of the same. Carrier shall ensure that all equipment supplied or used in connection with its performance of Services hereunder is regularly inspected, calibrated and maintained in accordance with the manufacturer’s guidelines, Applicable Laws and best practises.
- (d) Carrier shall comply, at its own expense, with all third party contractor management and evaluation tools and methods as required by Strad, and will provide proof of such compliance upon Strad’s request.
- (e) Strad’s approval of a Permitted Subcontractor shall not relieve Carrier of its obligations under the PO, and Carrier

shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this PO as if they were Carrier's own employees. Nothing contained in this PO shall create any contractual relationship between Strad and any Carrier subcontractor or supplier.

- (f) Carrier shall require each Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment or license provisions of this PO.
- (g) Carrier shall ensure that it provides the onsite Strad representative with a Bill of Lading upon delivery of the Goods, or if an onsite representative is unavailable, to Strad electronically on the same day. The Bill of Lading must be complete, set forth the declared valuation of the Goods and note damages, if any. Adjustments to the work hours noted on a Bill of Lading must be addressed by Carrier to Strad immediately. Failure by Carrier to provide a Bill of Lading to Strad prior to leaving the Strad Property may result in non-payment.
- (h) Carrier represents and warrants that the PO does not violate any other agreement binding on Carrier.
- (i) The warranties in this Section 3 shall continue for eighteen (18) months from completion of the Services.
- (j) The warranties in this Section 3 survive any acceptance of or payment for the Goods and/or Services by Strad. Any applicable statute of limitations runs from the date of Strad's discovery of the non-compliance of Services with the foregoing warranties.

#### **4. Price and Payment:**

- (a) Unless otherwise agreed upon by the parties, Carrier shall submit its invoice after the Goods have been delivered at the Delivery Point and accepted by Strad. Invoices shall be mailed or emailed to Strad at the addresses set forth in the PO. All invoices must be presented in the currency set forth in the PO and accompanied by all applicable work tickets, third party invoices, Bills of Lading, shipping notices and any other supporting documentation as may be requested by Strad. Strad shall pay invoices sixty (60) days from the date of receipt of the invoice. If applicable, any discounts or rebates identified in the PO or any other applicable agreement shall be identified on the invoice, and shall be computed from the later of the date of Strad's acceptance of the Services or its receipt of the invoice.
- (b) Strad shall have no influence on and shall make no decisions regarding the amounts Carrier pays its personnel. Carrier agrees and represents that any Carrier personnel it furnishes to Strad will be employees of Contractor or its Subcontractor(s) and will be paid according to the Fair Labor Standards Act and any state wage and hour laws that apply in the location in which the Services are performed.
- (c) The Price shall be exclusive of all taxes, duties and assessments of any kind, municipal, state or federal taxes, which shall be listed separately on Carrier's invoice. Carrier shall be exclusively liable for, and shall pay, all taxes, assessments, duties, lienable claims or other charges levied on Carrier or Strad in respect of the Services and

Carrier shall indemnify Strad against all claims for any failure to pay the same, and from any claims alleging that Strad is an employer or a joint employer of Carrier under Applicable Laws.

- (d) Strad may withhold payments or deduct amounts owing to Carrier without liability or interest where it has reason to question the quality of Services, or where, in its reasonable opinion, it believes it has been damaged by Carrier's performance under the PO. Strad may offset any amounts owed to Carrier against amounts owed by Carrier to Strad.
- (e) Carrier shall have ninety (90) days after the completion of its obligations pursuant to the PO or expiration or termination of the PO or a master agreement, to invoice Strad for all amounts due and outstanding related to Services after completion (as determined on a site-specific basis) of the relevant Services. In the event Carrier fails to invoice Strad for all amounts due within such period, Carrier shall release Strad from any obligation to pay such amounts.

#### **5. Shipping:**

- (a) Carrier shall deliver the Goods to the Delivery Point by the Delivery Date. Should Carrier fail to do so, Carrier shall indemnify and hold harmless Strad from all resulting third party claims and at Strad's discretion, (i) the PO shall remain in full force, (ii) Strad may choose to contract directly with another carrier to coordinate shipping, or (iii) Strad may choose to cancel all or a portion of the PO. Should Carrier's failure to deliver in accordance with the PO cause Strad additional costs (including transportation costs), it shall also be liable for those increased costs.
- (b) Each shipment shall contain a packing memorandum and, where more than one package is shipped, the package containing the memorandum shall be identified. After receipt, Contractor shall attach an executed bill and/or a material report from the Delivery Point, which shall include proof of delivery, receipt and acceptance.
- (c) Carrier shall comply with all Applicable Laws and industry standards, along with any special Strad instructions, in regard to the safe and proper handling, packing, transportation, cartage, delivery and use of the Goods. Carrier shall identify any hazardous or toxic Goods with appropriate warning labels, and shall provide to Strad written instructions concerning potential hazards and recommended procedures for the handling, transportation and maintenance of such Goods.
- (d) Carrier acknowledges that time is of the essence with respect to Carrier's obligations hereunder and the timely delivery of Goods and/or Services.

**6. Title and Risk of Loss:** Title to the Goods shall remain vested in Strad at all times. Carrier shall have care, custody and control of the Goods while performing the Services, and shall bear the risk of loss and damage from commencement of loading to completion of off-loading. Where third parties perform any loading or off-loading services, it is Carrier's responsibility to inspect their work, and to advise Strad immediately of any deficiencies which could result in damage to the Goods. Should Carrier fail to notify

Strad of such deficiencies, Carrier may be liable for resulting damages. Unless otherwise agreed in writing by Strad, Carrier shall bear the risk of all loss and damage to heavy equipment glass that is caused by the failure to install or use window screens, guards or other protective devices. Where Carrier acts as a broker in respect of the Services, it shall be liable for any loss or damage to the Goods while they are in the custody of another carrier to whom the Goods have been delivered.

**7. Inspection:** Strad reserves the right to inspect the Goods and the performance of the Services at any location with reasonable notice. Any inspection, acceptance or testing performed by Strad shall not relieve Carrier's obligations under the PO, including warranty obligations. Should such Services fail such an inspection, Strad reserves the right to request replacement services, a refund or credit at Carrier's cost and to dispute or reject any associated invoice.

**8. Acceptance:** Strad is not required to accept partial or incomplete delivery unless the parties have so agreed. Acceptance by Strad of a partial delivery shall not bind it to accept any future shipments. Strad is not obligated to any minimum purchase or future purchase obligations of any kind under this PO.

**9. Changes:**

- (a) Strad has the right to make any changes to the PO and such changes will be made either verbally or by written change order issued by Strad. If a change order issued by Strad causes an increase or a decrease in the price and/or cost of the Services, Strad shall make an equitable adjustment in the Price and/or delivery cost and delivery schedule. Any claim by Carrier for an equitable adjustment must be submitted in writing to Strad within ten (10) days of receipt of the change order from Strad. Carrier and Strad shall promptly address any disagreement concerning equitable adjustment or other issues related to the change order in good faith and acting reasonably. In no event shall Carrier delay Services while the parties work to resolve issues of Price or schedule.
- (b) Carrier shall not make any change to the PO or substitute any materials without Strad's prior written authorization, nor is it entitled to payment for such unauthorized changes.

**10. Remedies:**

At any time, if Services are not provided in accordance with the PO, Strad may, in addition to its other rights or remedies, elect to: (i) cancel or suspend the PO; or (ii) require that Carrier remediate any deficiency within a reasonable time at its sole cost, risk and expense. If Strad elects remedy (ii) above and Carrier fails to do so, or should Strad deem that remediation is of an urgent nature, Strad reserves the right to remediate the deficiency and charge back all associated costs to Carrier. Such action by Strad shall not affect any existing warranties. The rights and remedies under this PO are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

**11. Indemnity:** Carrier agrees to indemnify, defend and hold harmless Strad, its affiliates, customers, employees, directors,

officers, successors and assigns from and against any losses, damages, claims, fines, penalties and expenses (including reasonable attorney's fees) that arise out of or result from: (i) injuries or death to persons or damage to property, including theft, in any way arising out of or caused or alleged to have been caused by the Services; (ii) assertions under Workers' Compensation or similar acts made by persons furnished by Carrier; (iii) any failure of Carrier to perform its obligations hereunder; (iv) the actual or alleged infringement by Carrier of a third party's intellectual property rights, or (v) a claim that Strad is the employer or joint employer of any Carrier personnel under any Applicable Laws.

**12. LIMITATION OF LIABILITY:**

NOTWITHSTANDING ANY CLAUSE TO THE CONTRARY IN ANY MASTER AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFITS), OR PUNITIVE DAMAGES OF ANY KIND; HOWEVER NOTHING HEREIN SHALL LIMIT CARRIER'S LIABILITY FOR DAMAGES SUSTAINED BY STRAD AS A RESULT OF THIRD PARTY CLAIMS ARISING FROM CARRIER'S BREACH OF THIS PO, OR DUE TO ITS NEGLIGENT ACTS OR OMISSIONS OR WILFUL MISCONDUCT.

**13. Termination:**

- (a) Strad may terminate the PO, in whole or in part, by providing written notice to Carrier:
  - (i) immediately where Carrier is in material breach of its obligations under the PO, or where Strad reasonably believes that Carrier will be unable to perform under the PO; or
  - (ii) for any reason, by providing Carrier with five (5) days' notice of same.
- (b) Should Strad terminate pursuant to Subsection 13(a)(i), its liability shall be limited to payment of the amount due for Services performed up to and including the date of termination, less any damages incurred by Strad due to Carrier's actions or omissions.
- (c) Should Strad terminate pursuant to Subsection 13(a)(ii), Strad will pay all of Carrier's direct costs for such Services incurred up to the termination date, with Carrier making best efforts to mitigate any such costs.

**14. Suspension:** Strad may suspend the performance of Carrier's obligations hereunder at any time.

**15. Audit:** Carrier shall keep and maintain true and correct books, records and accounts with respect to the PO for a period of three (3) years after completion of its obligations under the PO. Strad reserves the right to inspect and audit Carrier's records in relation to its obligations herein, which shall include taxation and third party payments.

**16. Use of Information:** Carrier shall view as Strad's property any idea, data, program, technical, business or other intangible information, however conveyed, and any document, print, tape, disc, tool, or other tangible information-conveying or performance-aiding article owned or controlled by Strad, and

provided to Carrier (“**Information**”). Carrier shall keep Information confidential and use it only in performing under this PO and obligate its employees, Carriers and others working for it to do so, provided that the foregoing shall not apply to information previously known to Carrier free of obligation, or made public through no fault imputable to Carrier. Carrier shall, at no charge to Strad, and as Strad directs, destroy or surrender to Strad promptly at its request any such Information. Strad shall be entitled to injunctive relief for any violation of this Section.

**17. Insurance:** Carrier shall maintain insurance to adequately protect Strad and its Customers (the “**Indemnitees**”) against risks Carrier is likely to encounter in providing Services under this PO. Notwithstanding the foregoing, Carrier shall, at a minimum, maintain the following types and amounts of insurance and shall keep such insurance in force during the term of this PO: (i) Commercial General Liability insurance on an occurrence basis with a limit of not less than Five Million Dollars (\$5,000,000) for any one loss or occurrence and in the aggregate with respect to bodily injury or death, personal and advertising injury and property damage, which shall include coverage for contractual liability, tortious liability, contractor’s liability, products liability, completed operations liability, sudden and accidental pollution, non-owned automobile liability and third party property damage, (ii) Workers’ Compensation Insurance (including occupational disease coverage) as required by Applicable Laws, (iii) Employers’ Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for bodily injury by accident (each accident), bodily injury by disease (policy limit and each employee) and death, (iv) Automobile Liability Insurance covering all motor vehicles and trailers owned, operated or hired in connection with the Work with an inclusive bodily injury, death and property damage limit per occurrence of not less than Five Million Dollars (\$5,000,000), (v) Property All-Risk Insurance covering Carrier’s property, equipment and all other assets to be equal to the replacement cost value, and (vi) Third Party Cargo Liability Insurance for Goods in transit and/or Carrier’s care, custody and control including loading and unloading of Goods, to the full replacement value of the Goods or Three Hundred Thousand Dollars (\$300,000), whichever is greater. All insurance shall be written to add Strad as an additional insured, and shall be written or endorsed to provide a waiver of subrogation in favour of the Indemnitees. Contractor’s insurance shall be primary and non-contributory to any other insurance policy providing coverage to Strad. Prior to performing Services, Carrier shall furnish Strad with certificates that certify that the above coverage is in full force and effect. Carrier shall cause its contractors to carry insurance of types and amounts necessary to cover risks inherent in the work performed by such subcontractors. The insurance requirements set for herein are a minimum requirement only, and shall not be deemed as a limitation of Carrier’s liability. . Should Carrier fail to obtain insurance coverage, or allow it to lapse, Carrier shall indemnify and hold harmless Strad from all damages relating to this failure.

**18. Force Majeure:** The parties shall not be liable for any damage or penalty for delay in delivery or for the failure to give notice of delay when such delay is due to unusually severe weather conditions, acts of god, act of civil or military authority, war, riots, concerted labour action, or any other causes which could not have been anticipated and are beyond the reasonable control of a party. The anticipated Delivery Date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision, provided however, that if the delay is anticipated to exceed ten (10) days, Strad at its option may elect to cancel all or a portion of the PO without incurring any liability to Carrier.

**19. No Third-Party Beneficiaries:** This PO is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms and Conditions.

**20. Dispute Resolution:** Disputes, if any, shall be submitted by the party identifying the Dispute to the manager of each party for negotiation and resolution by delivery of a Dispute Notice. The parties’ respective managers shall negotiate in good faith to resolve the Dispute. If the parties cannot resolve any Dispute within ten (10) business days after delivery of the applicable Dispute Notice, either party may file an action in a court of competent jurisdiction in accordance with the provisions of Section 21.

**21. Choice of Law:** This PO is governed by the laws of the State of Colorado and the parties irrevocably submit to the exclusive jurisdiction of the District Court for the City and County of Denver, Colorado. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. In any action brought in relation to the subject matter herein, the party not prevailing in a court of law will pay all costs and expenses, including reasonable attorneys’ fees, incurred in enforcing any terms, covenants and indemnities provided herein.

**22. Equal Opportunity:** Carrier will comply with its obligations as an equal opportunity employer and represents its screening, recruiting, submittal, and hiring practices are free of discrimination based on race, color, sex, religion, national origin, age, disability, or any other status protected by federal or state law.

**23. Notices:** All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and addressed to the parties at the addresses set forth on the face of the PO or to such other address that may be designated by the receiving party in writing.

**24. Survival.** Provisions of the PO, which by their nature should apply beyond their terms, will remain in force after any termination or expiration of the PO, including, but not limited to, the following provisions: Carrier Obligations, Limitation of Liability, Use of Information, Choice of Law, and Survival.

**25. General Provisions:** Strad and Carrier are independent contractors and it is the understanding of the parties that no

relationship of master and servant, principal and agent, or employer and employee shall exist between Strad and Carrier, Carrier's employees, subcontractors, agents or representatives. This PO constitutes the final written expression of all of the agreements between the parties with respect to the subject matter, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral, concerning the matters specified herein. Each of the parties shall at the request of the other without cost or expense execute and deliver any further documents and do all acts and things as reasonably required to carry out the intent of this PO. No waiver by Strad of any of the provisions of the PO is effective unless explicitly set forth in writing and signed by Strad. No failure or delay by a party in exercising any right, power or privilege shall operate as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. If any provision of this PO is found to be invalid or illegal by reason of any determination made by a court of competent jurisdiction or any governmental authority having jurisdiction in the circumstances, such provisions shall be severed from this contract to the extent of such invalidity or illegality and the validity, legality or enforceability of the remaining provisions of the PO shall not in any way be affected or impaired thereby. This PO shall be subject to the laws pertaining to all locations where Services are provided, including those through which Goods are transported. The subsequent execution by Strad of any Carrier field tickets, forms, receipts, invoices, terms of services, etc. shall not amend or modify the terms of the PO. This PO shall be assignable by Strad to any of its subsidiaries, affiliates or successors without the consent of Carrier. Carrier shall not assign this PO without Strad's prior written consent. The PO shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. The parties may execute this PO by facsimile or other electronic means and in separate counterparts, each of which when so executed and delivered shall be an original, and all such counterparts taken together shall constitute one instrument. The terms of this PO are confidential and shall not be disclosed to any third party. Carrier shall not use Strad's name in connection with any publicity, release or advertisement without Strad's prior written authorization.