



MIDCOAST ENERGY, LLC AND ITS AFFILIATES
STANDARD PURCHASE ORDER
GENERAL TERMS AND CONDITIONS
(Value of less than \$100k)

1. The Seller or Vendor ("Seller") identified on the face of the Purchase Order ("Order") agrees to sell, and the Midcoast entity identified on the face of the Order as Buyer or Purchaser ("Purchaser") agrees to buy, the goods, articles, and materials described in the Order (collectively, "Goods") and services related thereto. Seller's acceptance of the Order, whether in writing or by performance, shall be only upon these terms and conditions, which are incorporated into and made a part of each Order; no other terms or conditions shall be binding on Purchaser unless (i) conspicuously referenced on the face of the Order to which such other terms and conditions apply and (ii) expressly agreed to by Purchaser. Subject to the preceding sentence, in the event of any conflict, inconsistency, or ambiguity between these Terms and Conditions and any other documents, whether signed or provided by Seller or otherwise, these Terms and Conditions shall control, and any conflicting, inconsistent and/or additional terms in any documents provided by Seller are expressly rejected by Purchaser and shall be null and void.
2. Purchaser's Order Number and corresponding item line number as shown on the face of the Order must appear on all invoices, correspondence, shipping documents, and packages relating to such Order. The charges and other amounts agreed to be paid by Purchaser to Seller for all Goods and services to be delivered under the Order (the total of all such charges and other amounts, as set forth in the Order, the "Order Price") includes all costs relating to the Goods until such time as the Goods have been delivered to Purchaser at the Ship To Location in accordance with the applicable shipment terms, including all taxes and other charges of any taxing authority that may be assessed or imposed in connection with the sale or shipment of the Goods or the provision of services rendered pursuant to the Order and personal property tax assessed on the Goods prior to the date that title transfers to Purchaser.
3. Seller agrees to comply with all applicable federal, state, tribal, and local laws and regulations that affect the Order.
4. Seller shall deliver the Goods to the delivery point designated by Purchaser in the Order ("Ship To Location"). For any domestic, non-foreign transaction, delivery will be Free Carrier At (FCA) (INCOTERMS 2010); for any foreign, import transaction, delivery will be Delivered Duty Paid (DDP) (INCOTERMS 2010). For all foreign, import transactions, all costs and expenses for delivery, including carriage and insurance, of the Goods shall be included in the Order Price. For all domestic, non-foreign transactions, an estimate of freight and delivery charges will be included in the Order, with final and true amounts for such costs to be added to the final invoice submitted. Title and risk of loss shall transfer to Purchaser upon delivery of the Goods.
5. Seller warrants that the Goods, and the services related thereto, will (I) conform in all respects to the requirements of the Order; (II) comply with all applicable laws/regulations; and (III) be merchantable and free from defects in material, workmanship, and design for eighteen (18) months after delivery of the Goods. In the event of a breach of warranty, Seller shall (a) repair and/or replace the defective Goods at no cost to Purchaser in a timely manner so as to prevent disruption to or delay to Purchaser's applicable operations, and (b) be responsible for all costs (e.g., investigation, location, retrieval, reinstallation, and retesting of the defective Good) associated with restoring Purchaser's applicable operations. Goods will not be considered in breach of this warranty if a defect is caused primarily by Purchaser's improper installation, testing, operation or maintenance.
6. TIME IS OF THE ESSENCE to the timely completion and delivery of the Order. Timely delivery is delivery of Goods, which conform to the Order, to the Delivery Point on or before the agreed delivery date. If Seller is unable to make a timely delivery, it shall notify Purchaser of the anticipated delay, the reasons therefore, and the anticipated delivery date, as soon as it learns of same, such notice becoming effective upon receipt by Purchaser. If delivery is not accomplished before the agreed delivery date, as such may be extended by these terms, then Seller shall be liable to Purchaser for all direct damages caused by the delay.
7. Purchaser shall pay all undisputed invoice amounts within thirty (30) days of receipt of invoice. Purchaser and Seller shall work together in good faith to resolve all invoice disputes. Seller agrees that there shall not be charged to Purchaser, nor shall Purchaser be required to pay, in addition to the price(s) stated in the Order, any tax (or similar increase in the price(s) stated) imposed by any foreign or domestic authority on the price, commodity, sale or any other feature of the transaction covered by the Order, except as the same may be expressly specified as to the amount and nature thereof in the Order. Seller shall timely pay its subcontractors and vendors and agrees to indemnify and defend

Purchaser from and against all claims by third-parties and liens and encumbrances on Purchaser's property related in any way to Seller's performance of the Order.

8. Purchaser may at any time make reasonable changes in any one or more of the following: (1) Purchaser's drawings, plans, designs, and specifications; (2) quantities; (3) delivery schedule; or (4) place, manner, or time of delivery. If any such change increases or decreases the cost of the Goods to be provided or results in an extension of the shipping schedule, Seller shall give Purchaser written notice stating the effect of such change within ten (10) days after receipt of the change request and any such reasonable modifications shall be incorporated into the Order upon Purchaser's execution of a change order or written modification. No claim for an increase in price or schedule extension shall be recognized unless such was authorized in advance and in writing by Purchaser.
9. Purchaser reserves the right to cancel all or any part of the undelivered portion of the Order for any reason, including, but not limited to: (i) if Seller does not make deliveries as specified, or (ii) if Seller breaches any of the terms hereof, including, without limitation, the warranties of Seller. Upon receipt of notice of cancellation, Seller shall discontinue all work pertaining to the Order and use its best efforts to mitigate additional costs resulting from the cancellation. Seller shall preserve and protect materials in supply, work in progress, and finished work, the disposition of which shall be as directed by Purchaser, unless otherwise agreed. If the cancellation is not due to the fault of Seller, Purchaser shall accept and pay for materials in supply, work in progress, and finished work, as well as reasonable additional costs caused by the cancellation, *provided that* Seller shall not be entitled to any prospective profits or damages, and in no event shall the total amount paid to Seller under an Order exceed the original value of the Order.
10. Seller agrees to carry at Seller's own expense the following insurance, with appropriate territorial extensions to cover all areas where Goods are to be delivered pursuant to the Order: (I) Workers' Compensation Insurance providing (a) statutory benefits where Seller's employees reside, and (b) employer's liability coverage with a limit of not less than \$1,000,000 per occurrence; (II) Commercial General Liability Insurance, including coverage for products and completed operations and broad form contractual liability, with a single limit of at least \$1,000,000 per-occurrence/\$2,000,000 aggregate for bodily injury and property damage, with the cost of defense being a separate obligation not included in such limit; and (III) Automobile Liability Insurance, including coverage for all owned, non-owned and hired automobiles, with a single limit of at least \$1,000,000 each accident for bodily injury and property damage. Seller shall cause such insurance policies (except Workers' Compensation), to the extent of Seller's obligations assumed under the Order, these terms and conditions and applicable law, to name Purchaser, its parent, subsidiary, and affiliated companies, and its and their officers, directors, employees, agents, assigns and successors in interest (all, collectively, "Purchaser Group"), as additional insureds, with such insurance coverages being primary to and not in excess of any other insurance available to the additional insureds. Certificates of such coverages, which shall include a thirty (30) day cancellation or amendment notice clause, must be submitted to Purchaser.
11. **NOTWITHSTANDING ANYTHING ELSE IN THE ORDER TO THE CONTRARY, SELLER AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND PURCHASER GROUP FROM AND AGAINST ALL LOSSES OR LIABILITIES, JUDGMENTS, COSTS (INCLUDING COURT COSTS, REASONABLE ATTORNEYS' FEES AND COSTS OF INVESTIGATION), SANCTIONS, FINES, LIENS, ENCUMBRANCES, PENALTIES, FORFEITURES, EXPENSES, DAMAGES, CLAIMS, SUITS, AWARDS AND DEMANDS ("CLAIMS"), INCLUDING, WITHOUT LIMITATION, FOR INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY (INCLUDING THE GOODS), RESULTING FROM OR IN ANY WAY CONNECTED WITH SELLER'S PERFORMANCE UNDER THE ORDER AND RESULTING FROM SELLER'S NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT; PROVIDED, SELLER AND PURCHASER EACH SHALL BEAR THAT PORTION OF LIABILITY ATTRIBUTABLE TO SUCH PARTY ACCORDING TO THE PRINCIPLES OF COMPARATIVE FAULT AND/OR CONTRIBUTION.**
12. **NOTWITHSTANDING ANYTHING ELSE IN THE ORDER TO THE CONTRARY, PURCHASER AGREES TO INDEMNIFY, HOLD HARMLESS, AND DEFEND SELLER, ITS PARENT, SUBSIDIARY AND AFFILIATED COMPANIES, AND ITS AND THEIR OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, ASSIGNS AND SUCCESSORS IN INTEREST FROM AND AGAINST ALL CLAIMS, INCLUDING, WITHOUT LIMITATION, FOR INJURY TO ANY PERSON OR DAMAGE TO ANY PROPERTY (INCLUDING THE GOODS), RESULTING FROM OR IN ANY WAY CONNECTED WITH PURCHASER'S PERFORMANCE UNDER THE ORDER AND RESULTING FROM PURCHASER'S NEGLIGENCE, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT; PROVIDED, SELLER AND PURCHASER EACH SHALL BEAR THAT PORTION OF LIABILITY ATTRIBUTABLE TO SUCH PARTY ACCORDING TO THE PRINCIPLES OF COMPARATIVE FAULT AND/OR CONTRIBUTION.**
13. **Seller will indemnify, save harmless and defend Purchaser from and against any and all Claims, expressly including all Claims and causes of action brought by an injured person's spouse, heirs, or survivors arising in favor of any person or entity and based on an infringement or claim of infringement of a patent, trademark, trade name, copyright, or other proprietary right in the Goods provided by Seller, except to the extent directly caused by specifications expressly provided by Purchaser.**

14. Both Purchaser and Seller, on behalf of themselves and their employees, agree that any ideas, concepts, or proprietary information received from the other in connection with the performance of the Order shall not be disclosed to third persons except to the extent necessary for the proper performance of the Order. All ideas, concepts, drawings, and similar items created by Seller in connection with the performance of the Order shall be the property of Purchaser and shall be immediately delivered by Seller to Purchaser, with all compensation to Seller for such ideas, concepts, drawings and similar items being included in the price(s) stated in the Order. Seller grants to Purchaser a non-exclusive, royalty-free, transferable, irrevocable license under all foreign and domestic patents now or hereafter owned by Seller to use (for any purpose) and sell the Goods purchased under the Order.
15. The Order and these terms and conditions do not create, and shall not be construed by the parties or any third person as creating, any agency, partnership, joint venture, or employment relationship between the parties. The relationship of the parties shall be solely that of independent contractors. Neither party shall have, nor hold itself out as having, any right, power, or authority to assume, create, or incur any expenses, liability, or obligation on behalf of the other party, except as expressly provided herein. Each party shall be solely responsible for the conduct of its respective agents and employees in connection with that party's performance hereunder. All deliveries to Purchaser's premises shall be carried out in a safe manner, and Seller shall comply with, and cause all other parties acting on Seller's behalf to comply with, all safety rules and warnings communicated by Purchaser.
16. Waiver by either party of any provision hereof shall not constitute a continuing waiver or a waiver of any other provision, nor shall it affect in any manner any right or remedy to which such party is entitled for any breach or default by the other party, whether or not similar.
17. Seller shall not assign or transfer any right or obligation under the Order without Purchaser's prior written consent. Any assignment other than as provided in this Section shall be null and void for all purposes.
18. **EXCEPT WITH RESPECT TO THIRD PARTY CLAIMS FOR WHICH A PARTY OWES INDEMNIFICATION, NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, NEITHER PARTY SHALL BE LIABLE TO THE OTHER UNDER OR IN CONNECTION WITH THE ORDER, FOR ANY CONSEQUENTIAL, INDIRECT, SPECIAL, EXEMPLARY, PUNITIVE, REMOTE, OR SPECULATIVE DAMAGES, WHETHER SUCH DAMAGES ARISE IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, INCLUDING LOSS OF PROFIT, LOSS OF USE OR ANY LOSS IN RESPECT OF BUSINESS INTERRUPTION, DAMAGE OR REPUTATION AND GOODWILL, OR LOSS OF EXPECTED FUTURE BUSINESS, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE OR IF SUCH LOSS OR DAMAGE COULD HAVE BEEN REASONABLY FORESEEN. IN NO EVENT SHALL EITHER PARTY'S CUMULATIVE LIABILITY TO THE OTHER UNDER THE ORDER EXCEED FIVE HUNDRED THOUSAND DOLLARS (\$500,000).**
19. The Order shall be governed by the laws of the State of Texas, without regard to conflicts of law principles. Venue for all disputes arising under the Order shall lie exclusively in Harris County, Texas, and Seller and Purchaser consent, to the fullest extent permitted by law, to the personal jurisdiction of the state and federal courts therein.