

# Supplemental Site Service Terms and Conditions Addendum

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|     |   |   |
|-----|---|---|
| 1.  | General .....   | 1 |
| 2.  | Scope of Services .....                                     | 1 |
| 3.  | Material, Equipment and Supplies .....                      | 2 |
| 4.  | Other Contractors .....                                     | 2 |
| 5.  | Clean Up .....  | 2 |
| 6.  | Representations .....                                       | 2 |
| 7.  | Insurance .....   | 2 |
| 8.  | Workers' Compensation .....                                 | 3 |
| 9.  | Taxes .....   | 3 |
| 10. | Health and Safety .....                                     | 4 |
| 11. | Compliance with Laws and PCLI Policies and Procedures ..... | 4 |
| 12. | Liens .....   | 4 |
| 13. | Security .....  | 4 |
| 14. | Hazardous Waste Handling .....                              | 4 |

# Supplemental Site Service Terms and Conditions Addendum

## 1. General

1.1 **Defined Terms.** Except as defined below, the terms defined in the Terms and Conditions of Purchase and used in this Supplemental Site Service Terms and Conditions Addendum shall have the meanings ascribed to those terms in the Terms and Conditions of Purchase:

- (a) **"Completion"** means that the Services have been fully completed in accordance with the Purchase Order.
- (b) **"Contract EH&S Plan"** means the Seller's environmental, health and safety plan described in Paragraph 11.1 Contract EH&S Plan.
- (c) **"Contractor Alcohol and Drug Standard"** means the current version of HFC's Contractor Alcohol and Drug Standard available on HFC's website:

<https://portal.hollyfrontier.com/safety>  
USERNAME: "SafetyDocs", password "IMS@f3ty"

as updated from time to time, or as may be provided by PCLI from time to time.

- (d) **"Hazardous Substance"** means any substance, mixture of substances, product, waste, organism, pollutant, material, chemical, contaminant, dangerous good, constituent or other material which is or becomes listed, regulated or addressed under any Law or applicable regulation respecting the use, manufacture, importation, handling, transportation, storage, disposal and treatment of the substance, mixture of substances, product, waste, organism, pollutant, material, chemical, contaminant, dangerous good, constituent or other material.
- (e) **"HFC"** means HollyFrontier Corporation, which is PCLI's parent company.
- (f) **"Other Contractors"** means contractors or vendors engaged by PCLI to provide labour, materials, products or services, other than the Seller or subcontractors.
- (g) **"PCLI Policies"** mean the current version of all of PCLI's standards, procedures, policies and guidelines, relating to the performance of the Services, on PCLI's website at <http://lubricants.petro-canada.com/>, as updated from time to time or as may be provided by PCLI from time to time, including the Standards of Business Conduct.
- (h) **"PCLI's EH&S Management Requirements"** means PCLI's environment, health and safety requirements applicable to the Services, as set out in the Purchase Order and as updated from time to time, or as may be provided by PCLI from time to time.
- (i) **"Supplemental Site Service Terms and Conditions Addendum"** means this document entitled

"Supplemental Site Service Terms and Conditions Addendum" and forming part of the Purchase Order.

## 2. Scope of Services

2.1 **Scope of Services.** The Seller shall perform the Services in accordance with the Purchase Order.

2.2 **Terms and Conditions.** Where the Purchase Order requires the Seller to perform Services at the Site in connection with the supply of Goods, such Services shall be performed in accordance with the Supplemental Site Service Terms and Conditions Addendum and the Terms and Conditions of Purchase.

2.3 **Precedence.** In the event of a conflict or inconsistency between the Supplemental Site Service Terms and Conditions Addendum and the Terms and Conditions of Purchase, the Supplemental Site Service Terms and Conditions Addendum shall, insofar as they apply to the Services, govern over the Terms and Conditions of Purchase.

2.4 **Matters Affecting the Services.** Any failure by the Seller to discover matters which affect or could affect the Services shall not relieve the Seller from its obligations under the Purchase Order. Specifically, the Seller acknowledges that it has investigated and satisfied itself as to:

- (a) the nature of the Services;
- (b) general character, quality, quantity and availability of equipment and materials required to execute and complete the Services;
- (c) location of, and all conditions relating to, the Site, including accessibility, general character, surface conditions, utilities, roads, uncertainties of seasonal weather and all other physical, topographical and geographical conditions that may affect the Seller's performance of the Services, and which are reasonably discoverable by the Seller applying due diligence;
- (d) environmental risks, conditions, Law and restrictions applicable to the Seller, or the Services, that might affect the Services; and
- (e) all conditions affecting labour, including availability, productivity and administrative practices, including those relating to safety, prevailing at or applicable to the Services.

2.5 **No Deviations.** The Seller shall not deviate from the specifications or requirements stated in the Purchase Order.

2.6 **Minimum of Interference and Full Cooperation.** The Seller shall perform the Services in such manner as to cause a minimum of interference with PCLI's operations. The Seller shall cooperate fully with all other parties with whom the Seller may be involved during the performance of the Services.

2.7 **Property Damage.** The Seller shall protect the Services and PCLI's property and property adjacent to the Site from damage which may arise as a result of the Seller's operations or the operations of its subcontractors. Should the Seller's operations or the operations of its subcontractors cause damage to the Services or PCLI's property, the Seller shall be responsible for making good such damage at the Seller's expense.

### 3. Material, Equipment and Supplies

3.1 **Seller to Check Material, Equipment and Supplies.** The Seller shall check, assess and record upon delivery to the Seller the quantity and condition of all materials, equipment and supplies supplied by or on behalf of PCLI or which are to be installed or consumed by the Seller during the performance of the Services. If any of the materials, equipment or supplies are lost, damaged or destroyed after having been delivered to the Seller, or while in the custody or control of the Seller, the Seller shall repair and replace the same at its own expense unless:

- (a) such loss, damage or destruction is caused by the negligence of PCLI; and
- (b) PCLI was not acting under the direction of the Seller at the time of such loss, damage or destruction.

### 4. Other Contractors

4.1 **Other Contractors.** If any part of the Services depends upon the Services of Other Contractors for its proper execution or result and the Seller becomes aware of any defects, deficiencies or conflicts in the Services or in the timing of the Services of the Other Contractors as may interfere with the proper execution of the Services, the Seller shall immediately provide a notice to PCLI of such defects, deficiencies or conflicts. Should the Seller fail to provide a notice to PCLI as required by this Paragraph, the Seller shall: (i) have no Claim against PCLI by reason of defective, deficient or unfinished Services of any Other Contractors; and (ii) reimburse PCLI for all costs, expenses and losses suffered, sustained, paid or incurred by PCLI relating to any Services that require re-performance as a result of any defects, deficiencies or conflicts in the Services or in the timing of the Services of Other Contractors.

### 5. Clean Up

5.1 **Waste.** In addition to the requirements of Article 15 Hazardous Waste Handling, no waste materials shall be allowed to accumulate in or around the Site, and the Seller shall remove, or cause its subcontractors to remove, debris or waste materials at periodic intervals or as often as PCLI may direct. The Seller shall ensure that the Site is kept clean and free of debris and waste materials at all times. Before Completion of the Services, the Seller shall remove or cause to be removed all temporary structures, superfluous and waste materials of whatever kind resulting from the Services.

### 6. Representations

6.1 **Seller's Performance Representations and Warranties.** The Seller shall provide installation and other services relating to the Goods in a proper and good and workmanlike manner in accordance with the Purchase Order and in accordance with good engineering, manufacturing, installation and other industry practice.

### 7. Insurance

7.1 **Insurance Coverage.** Without limiting any of the obligations or liabilities under the Purchase Order and prior to commencing any Services under the Purchase Order, the Seller shall obtain and continuously carry when on Site, at its own expense and cost, policies suitable to PCLI in respect of the following insurances:

- (a) workers' compensation coverage for all employees engaged in the Services in accordance with the statutory requirements of the province, territory or state in which the Services are being performed;
- (b) Commercial General Liability Insurance, including bodily injury, death and property damage, in an amount of not less than \$5 million (combined single limit on each occurrence). Such coverage to include, but not be limited to, Blanket Contractual Liability, Contingent Employer's Liability Insurance, Contractual Liability, Non-Owned Automobile Liability, Attached Equipment, Broad Form Property Damage Liability, Products and Completed Operations Liability, and, when applicable to the Services, Hook Liability, Sudden and Accidental Pollution Liability and Explosion, Collapse and Underground Damage Liability. This policy will respond to property damage to PCLI's existing facilities;
- (c) Automobile Liability Insurance for owned, leased, hired, operated or licensed vehicles with limits of not less than \$2 million for accidental injury to or death of one or more persons or damage to or destruction of property as a result of one accident or occurrence;
- (d) Property Insurance covering loss or damage to construction machinery, tools, equipment and property that is owned by, leased by, or rented by and used by the Seller or its subcontractors in performing the Services; and
- (e) such additional coverage as may be required by Law.

7.2 **Requirements of Seller.** The insurance provided by the Seller shall be provided in accordance with the following terms and conditions:

- (a) the Seller shall, upon request, provide PCLI with evidence of compliance with applicable workers' compensation legislation and coverage;
- (b) certificates of insurance of the policies described in Paragraph 7.1 Insurance Coverage shall be submitted to PCLI prior to commencement of the Services. All such policies shall be placed with insurers and shall be in a form acceptable to PCLI. The approval or non-approval of any such policy by PCLI shall in no way relieve the Seller of its obligations to provide, and to cause its subcontractors to provide, the insurance in this Article;
- (c) all property insurance policies provided by the Seller and its subcontractors shall contain a waiver of subrogation against PCLI, its Affiliates and each of their respective Personnel;
- (d) all insurance provided by the Seller or its subcontractors shall be considered primary and not excess to any insurance carried by PCLI; and
- (e) all liability insurance policies, except for automobile liability insurance and workers' compensation, provided by the Seller and its subcontractors shall:

- (i) name PCLI, its Affiliates and their respective Personnel as additional insureds, but only with respect to any potential legal liability arising out of the operations, actions or conduct of the named insured;
- (ii) contain a cross-liability and severability of interest clause; and
- (iii) each such policy shall state that it cannot be cancelled without at least 30 days written notice to PCLI.

**7.3 Insurance Indemnity.** If the Seller fails or any of its subcontractors fail, to furnish PCLI with a certificate of insurance for each policy of insurance required to be obtained in Paragraph 7.1 Insurance Coverage, or if after furnishing a certificate of insurance, any policy lapses, is cancelled or is materially altered, then in every case PCLI may obtain and maintain such insurance in the name of the Seller and any of its subcontractors. The Seller shall indemnify and hold harmless the Indemnitees from any Claim suffered, sustained, paid or incurred by the Indemnitees to place such insurance for the Seller, including the subcontractors' insurance costs, and such indemnity shall not be subject to the limitation of liability for the Seller in the Terms and Conditions of Purchase.

**7.4 Subcontractors.** The Seller shall ensure that its subcontractors maintain the same types and limits of insurance as provided for in Paragraph 7.1 Insurance Coverage and 7.2 Requirements of Seller. The Seller shall provide to PCLI, upon request, copies of certificates of insurance for the policies it has obtained from its subcontractors.

**7.5 Deductibles.** The Seller shall be responsible for payment of all deductibles applicable to the insurance described in Paragraph 8.1 Insurance Coverage.

**7.6 Liability of the Seller.** Neither the providing of insurance by the Seller in accordance with the requirements of this Article, nor the insolvency, bankruptcy or the failure of any insurance company to pay any claim occurring shall be held to relieve the Seller from any other provisions of the Purchase Order with respect to liability of the Seller or otherwise.

**7.7 Notice.** PCLI and the Seller shall immediately notify in writing each other and the relevant insurer of any occurrence or incident likely to give rise to a claim under the policies or insurance coverage referred to in this Article, or of any other matter or thing in respect of which notice should be given by PCLI or the Seller to the relevant insurers. In addition, both PCLI and the Seller shall give all such information, reports, documentation and assistance as may be reasonably practicable in all the circumstances to achieve prompt settlement of insurance claims.

## 8. Workers' Compensation

### 8.1 Workers' Compensation.

- (a) The Seller shall, and shall ensure that the subcontractors comply with workers' compensation Law covering all persons employed by the Seller and the subcontractors. Without limitation, the Seller shall, and shall ensure that the subcontractors at all times pay or cause to be paid any assessment or contribution required to be paid pursuant to workers' compensation Law or, in jurisdictions where workers' compensation is not funded by the province, territory or state through a statutory workers' compensation

scheme, carry workers' compensation insurance in accordance with the Law as set out in Paragraph 7.1(a) Insurance Coverage. Upon PCLI's request, the Seller shall deliver to PCLI a statement from the Workers' Compensation Board, or applicable governing body, indicating that the Seller or subcontractor is registered and in good standing.

- (b) In the event that an employee of the Seller or a subcontractor engaged in performing the Services ordinarily resides outside the province, territory or state in which the Services are being performed and is employed by an employer who is based outside the province, territory or state in which the Services are being performed (and such employer carries on business at the location of the Services on a temporary basis) the Seller shall comply with workers' compensation Law in accordance with the statutory requirements of the province, territory or state where the employee is ordinarily resident and the employer ordinarily carries on business.

**8.2 Indemnification for Workers' Compensation.** The Seller shall indemnify and hold harmless the Indemnitees from all Claims brought against PCLI as a result of the Seller's failure to pay, or the failure of the Seller to ensure its subcontractors pay, any assessment, contribution, or insurance premium relating to workers' compensation coverage.

## 9. Taxes

**9.1 Tax Responsibility.** The Seller shall be responsible for and pay the costs of all contributions, assessments and deductions, including, without limitation, those required for labour unions or associations, workers' compensation insurance contributions, employment insurance contributions, employees' income tax deductions, Canada Pension Plan, disability benefits, other benefits not specified, together with all Taxes in relation to same as may be required by Law.

**9.2 [Tax Withholding. Unless an official exemption from tax withholding is received by PCLI from the Seller, PCLI is obligated by Law to withhold at the then current rate a percentage of the value of the Services performed in Canada and Québec (if applicable) by non-resident contractors. PCLI shall be entitled to deduct any such required withholdings from any amounts paid or payable to the Seller under the Purchase Order. Any amounts deducted by PCLI pursuant to this Paragraph shall be remitted by PCLI directly to any revenue authorities on behalf of the Seller, with an official receipt respecting any such remittance provided to the Seller by PCLI. It is expressly understood and agreed by the Seller that no additional payment shall be made to compensate the Seller as a result of costs associated with Canadian and Québec withholding tax. The Seller shall provide accurate and timely information relating to the value of all Services performed in Canada and Québec (if applicable) by it to permit PCLI to withhold the appropriate amounts as required by Law.]**

**9.3 Tax Indemnity.** The Seller shall indemnify and hold harmless the Indemnitees from all third party Claims brought against the Indemnitees in respect of the Seller's obligations described in Article 9 Taxes, and such indemnity shall not be subject to the limitation of liability for the Seller in the Terms and Conditions of Purchase.

## 10. Health and Safety

- 10.1 **Contract EH&S Plan.** The Seller shall at all times while performing the Services maintain, and ensure that its subcontractors maintain, an environment, health and safety plan that meets or exceeds PCLI's EH&S Management Requirements.
- 10.2 **Contractor Alcohol and Drug Policy.** The Seller shall, at all times while performing the Services, maintain an alcohol and drug policy in accordance with the Contractor Alcohol and Drug Standard.
- 10.3 **Observance of Safety.** The Seller shall observe and shall ensure that its Personnel, as well as the Personnel of its subcontractors, observe and comply with the Contract EH&S Plan and the Seller's alcohol and drug policy. In the case of any difference between the requirements of the Contract EH&S Plan and the Law or the Seller's alcohol and drug policy and the Law, the stricter or higher standard shall apply.
- 10.4 **PCLI's Right to Suspend.** PCLI, acting reasonably, shall have the right to suspend performance of the Services for as long as it is necessary to prevent or stop any unsafe work practice or any violation of any of the Contract EH&S Plan or the Contractor Alcohol and Drug Standard, without compensating the Seller for any loss or damages the Seller may suffer, and without any time extension for Completion of performance of the Services. PCLI shall have no liability for suspending the Services, or failing to suspend the Services, pursuant to this Paragraph. Any suspension of the Services pursuant to this Paragraph shall not relieve the Seller of any of its responsibilities pursuant to the Purchase Order, or otherwise.

## 11. Compliance with Laws and PCLI Policies and Procedures

- 11.1 **Compliance with Law.** The Seller shall be fully knowledgeable of the Law applicable to the supply of the Services and shall comply with the Law.
- 11.2 **Compliance with PCLI Policies.** The Seller shall and shall ensure that its subcontractors, and their respective Personnel, prior to providing the Services, read and understand the most current copies of PCLI Policies including those available on PCLI's website at the expense of the Seller. The Seller shall and shall ensure that its subcontractors and their respective Personnel comply with PCLI Policies. In the case of any difference between the requirements of PCLI Policies and the Law, the stricter or higher standard shall apply.

## 12. Liens

- 12.1 **If Lien Filed.** If a lien in respect of the Services is filed against the Site or any of PCLI's property, including leases (excluding any valid liens of the Seller), PCLI may immediately withhold payment of any monies owing to the Seller until the Seller discharges the lien.
- 12.2 **Seller to Discharge or Release Liens.** The Seller shall promptly discharge or release or cause to be discharged or released any and all builders', construction, mechanic's, material, warehousemen's or similar liens which are registered, filed, recorded or brought by any party and which are in any way related to the Services, against the Site or any property of PCLI forming part of or connected in any way with the Services.

- 12.3 **Indemnification by Seller.** The Seller shall indemnify and hold harmless the Indemnitees from all Claims brought against or suffered, sustained, paid or incurred by the Indemnitees in connection with any liens (excluding any valid liens of the Seller) contemplated in this Article 12 Liens.

## 13. Security

- 13.1 **Risk Avoidance.** The Seller shall and shall ensure that the subcontractors shall, at all times conduct all operations on Site in a manner to avoid risk of loss, theft or damage by vandalism, sabotage or any other means to any Goods or other property, including real property.
- 13.2 **Security Requirements.** The Seller shall comply with PCLI's security requirements for Site and shall cooperate with PCLI on all security matters and shall promptly comply with any Site security arrangements established by PCLI. Such compliance with these security requirements shall not relieve the Seller of its responsibility for maintaining proper security for the Goods, nor shall it be construed as limiting in any manner the Seller's obligation with respect to all applicable Law and to undertake reasonable action to establish and maintain secure conditions at Site or any other location where the Goods are being provided and Services are being performed.
- 13.3 **Site Access.** PCLI may, in its sole discretion, by a notice to the Seller, deny access to the Site to any individual, or require the Seller or subcontractor to reassign, replace or remove any Personnel. In the event an employee of the Seller or a subcontractor is reassigned or removed, the Seller or subcontractor, as the case may be shall promptly replace the employee with another who is fully competent and skilled to perform the reassigned or removed employee's duties.

## 14. Hazardous Waste Handling

- 14.1 **Hazardous Substances.** The Seller shall not, and the Seller shall ensure that its subcontractors shall not, use, store, transport, remove, dispose of or destroy any Hazardous Substances on Site, except with PCLI's prior approval. All Hazardous Substances used, stored, transported, removed, disposed of or destroyed shall be dealt with in accordance with the Law and PCLI Policies.
- 14.2 **Asbestos.** Where asbestos is present at the Site, the Seller shall not proceed with any Services until:
- asbestos surveys and notifications have been completed and provided to the appropriate regulatory agencies by the party responsible to carry out such Services as set out in the Purchase Order; and
  - PCLI specifically authorizes those Services to proceed.

**END OF DOCUMENT**