

PURCHASE AGREEMENT No. 2019-51470

This PURCHASE AGREEMENT (this "Agreement"), is made this 24th day of September 2019, between **MEG Energy Corp.**, a company, with offices at 600 - 3rd Ave SW Calgary, AB T2P 0G5 ("Customer"), and **Canadian Linen and Uniform Service Co.**, with offices at 20 Atomic Ave, Etobicoke, ON M8Z 5L1, Canada ("Company").

1. Company agrees to sell and Customer agrees to purchase the merchandise listed on Schedule I attached hereto ("Merchandise") under the terms of this Agreement and the terms of sale set forth on Schedule II attached hereto. The charges for such Merchandise are set forth on Schedule I attached hereto. Customer is responsible for shipping charges, personalization charges, and applicable taxes which are in addition to the charges on Schedule I. For the avoidance of doubt, all charges herein are in Canadian Dollars. Nothing herein requires or obligates Customer to purchase a minimum or any set amount of Merchandise.

2. The initial term of this Agreement shall be for two hundred and sixty (260) consecutive weeks from **September 24, 2019** (the "Effective Date"). Thereafter, this Agreement shall automatically be renewed for successive fifty-two (52) consecutive week periods unless either party gives the other party written notice of termination.

3. Company shall invoice Customer upon shipment of Merchandise and all permitted invoiced charges are due and payable thirty (30) days from the date of each statement rendered by Company. Customer agrees to pay Company a late payment charge equal to 1.0 % per month for any payments not received by Company by the applicable due date.

4. Customer agrees that on no less than sixty (60) days written notice to Customer, the "Company" may increase the purchase price for the Merchandise once per 12 month period in an amount up to the percentage change in the Canadian Consumer Price Index over the previous 12 months or 2.5%, whichever is greater.

5. Either party may terminate this Agreement without cause with 30 days' prior written notice to the other party.

6. Removed

7. Except for the Merchandise listed on Schedule I with asterisks (**), the Merchandise supplied under this Agreement is not flame resistant nor resistant to hazardous chemicals and contains no special flame resistant or hazardous chemical resistant features. The Merchandise is not designed for use in areas of flammability risk or where contact with hazardous materials is possible. Flame resistant and acid resistant Merchandise is available from Company on request.

All Merchandise listed on Schedule I with asterisks (**) is flame resistant merchandise ("FR Merchandise") which is not resistant to hazardous chemicals, contains no special hazardous chemical resistant features and is not designed for use in areas where contact with hazardous substances is possible. However, such FR Merchandise will meet any specifications or standards specifically included on the applicable garment labels. Customer agrees to provide the following notification to its employees wearing any FR Merchandise:

- WARNING - For prevention of clothing ignition during short term and emergency exposure to flame or electric arc, do not use for protection against continuous thermal loads, hot liquids or steam. Do not wear alone for limb/torso protection during structural fire fighting. Do not use for chemical protection or protection from other hazardous substances. Failure to comply with this warning may result in serious injury or death.

Customer is responsible for determining (i) that all of the Merchandise (including the FR Merchandise) being provided by Company is appropriate for the intended use of Customer and its employees; and (ii) that Customer and its employees follow the proper procedures and requirements for laundering the FR Merchandise as recommended by the fabric manufacturer(s) of such FR Merchandise. Customer assumes all risks associated with the use of the Merchandise (including the FR Merchandise). Company shall not be liable for any loss, injury, or death arising out of the use of any Merchandise (including the FR Merchandise) by Customer's personnel, except to the extent such loss, injury or death is due to the gross negligence or willful misconduct of Company or its agents or employees.

8. Customer agrees that Company makes no warranty, expressed or implied, with respect to the reflectivity of the Merchandise. Customer explicitly acknowledges that reflective properties of Merchandise will be reduced and ultimately lost through laundering of the Merchandise. Replacement of such Merchandise, based solely on lost or reduced reflectivity, will be at Customer's expense. Customer acknowledges that no standards or minimum performance requirements have been established for reflectivity of Merchandise, that the customer has independently investigated merchandise available to satisfy its needs and has relied on its own investigation and not upon any representations, expressed or implied, by company to select the Merchandise set forth and identified in this Agreement. Company shall not be liable either in tort or in contract for any indirect or consequential loss or damage, arising out of the use of or the inability to use the Merchandise.

9. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their heirs, administrators, executors, successors or assigns.

10. Customer has read the forgoing in its entirety and understands all of its terms and conditions, and warrants to Company that the person signing on behalf of Customer has the authority and power to execute this Agreement on behalf of Customer, and after the execution hereof Customer is bound by all of the terms and conditions herein.

11. The parties have required that this Agreement and all documents, notices and schedules relating to this Agreement be drawn up in the English language only. Les parties aux présentes ont exigé que le présent contrat et tous autres documents, avis ou annexes afférents aux présentes soient rédigés en anglais.

12. This Agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

13. This Agreement shall not be binding upon Company until executed by an authorized representative of Company.

IN WITNESS WHEREOF, the undersigned by their duly authorized representatives have executed this Agreement as of the day and year first above written.

Canadian Linen and Uniform Service Co.

By: Sheri L Pelish

Name: Sheri L Pelish

Title: VP, Direct Sale Ops

Date: October 11, 2019

MEG Energy Corp.


By: L. H. Habibula

Name: L. H. HABIBULA

Title: Manager, SCM

Date: September 25, 2019

SCHEDULE I
Product and Pricing

Prepared For: MEG Energy		25-Jun-19		APPENDIX A: MEG Energy Uniform Program		
Style	Manufacture	Fabric	Style Description	Item Code	Size	Price/Unit
FR Coverall	IFR	6.0 oz. Nomex IIIA	Nomex IIIA 6.0 oz. Deluxe Coverall (Royal Blue)	NSB109	34 - 50 (regular)	\$234.00
			(Category 1 & CSA Z96-15 Compliant Class 1 Level FR)		38 - 50 (tall)	\$234.00
					52 - 62 (regular)	\$269.00
					52 - 62 (tall)	\$269.00
FR Winter Parka	IFR	6.0 oz. Nomex IIIA outer shell with FR modacrylic insulation and wind/vapor barrier	Nomex IIIA Insulated Parka (Royal Blue)	NSB215	XS - XL (regular)	\$319.50
			(Category 4 & CSA Z96-15 Compliant Class 1 Level FR)		S - XL (talls)	\$319.50
					2XL - 5XL	\$368.00
					2XL - 5XL (talls)	\$368.00
FR Winter Hood	IFR	6.0 oz. Nomex IIIA outer shell with FR modacrylic insulation and wind/vapor barrier	Nomex IIIA Insulated Hood for Parka (Royal Blue)	NPB265	O/S	\$48.00
FR Winter Bib Overalls	IFR	6.0 oz. Nomex IIIA outer shell with FR modacrylic insulation and wind/vapor barrier	Nomex IIIA Insulated Bib Overall (Royal Blue)	NSB225	XS - XL (regular)	\$337.50
			(Category 4 & CSA Z96-15 Compliant* Class 1 Level FR)		S - XL (talls)	\$337.50
			(*When worn with NSB215 parka)		2XL - 5XL (regular)	\$385.00
					2XL - 5XL (talls)	\$385.00
FR Arc Rated Coverall	IFR	9.0 oz. Ultrasoft	9.0 oz. Ultrasoft Deluxe Coverall (Royal Blue)	USB109	34 - 50T	\$169.50
			(Category 2 & CSA Z96-15 Compliant Class 1 Level FR)		52 - 62T	\$184.50
Front Logo			Direct embroidered company logo (left chest)			\$5.00
Back Logo			Direct embroidered back logo			\$5.00
Name Crest			White block text on royal w/royal border			\$3.50

SCHEDULE II
Terms of Sale

Canadian Linen and Uniform Service Co. will service Customer's account(s) based on the following terms:

RETURNS:

- Returns will be accepted on unworn, unwashed, unpersonalized (i.e. not embroidered with customer's logo or employee names) general stock goods within 45-days of purchase. Exchange or credit is at the request of the customer. There will be a 10% restocking charge (based on garment sell price) on all returned merchandise unless Canadian Linen and Uniform Service Co. caused the return (i.e. item/size sent not as ordered, manufacturing defect, improper logo and/or placement of logo). Canadian Linen and Uniform Service Co. will waive any restocking charges during the initial roll-out period of a new program launch and within 30 days of goods being received by the unit. Even exchange(s) for the size will be issued.
- Return shipping fees will be the obligation of Customer unless Canadian Linen and Uniform Service Co. caused the return. Canadian Linen and Uniform Service Co. will provide postage paid return label(s) for any returns that were due to an error on Canadian Linen and Uniform Service Co. part (i.e. item/size sent not as ordered, manufacturing defect, improper logo and/or placement of logo).
- Custom or specially manufactured, embroidered, specially-manufactured custom sizes or altered garments are not subject to exchange or return, except if Canadian Linen and Uniform Service Co. caused the return (i.e. item/size sent not as ordered, manufacturing defect, improper logo and/or placement of logo). In such event, Canadian Linen and Uniform Service Co. will cover return shipping via a pre-paid mailing label and replace garment or issue refund at its discretion.

PERSONALIZATION:

- Customer will be charged for the custom embroidery, screenprint or other value-added services required in accordance with the size, complexity, and quantity per application required. Charges will be mutually agreed upon in advance of application and reflected in the Schedule 1 attached. Canadian Linen and Uniform Service Co. reserves the right, upon no less than sixty (60) days written notice to Customer, to adjust personalization application price if ordering pattern does not reflect forecast.
- In lieu of specified Schedule 1 pricing, the following application fees will apply:

- Name embroidery charges: \$2.50
- Company front charges \$5.00

SHIPPING:

- Shipments will be made in accordance with instructions received from Customer corporate headquarters, or from the Customer’s purchase order(s). The following surcharges are in addition to designated shipping / handling fees:

- ✦ Shipments to the North West Territories, Nunavut and the Yukon locations may incur additional fees.

Canadian Linen and Uniform Service Co. will provide ground shipping via our standard shipping carrier (UPS) on all orders unless otherwise requested. Standard shipping table will apply (refer to table below). Special order and air delivery requests (overnight / 2nd day) will incur additional charges.

SHIPPING INFORMATION

Pricing varies based on the service level selected and the subtotal of the order. Remember to allow time for customizations (3 additional business days) if applicable!

Order subtotal	Standard	Expedited	Priority	Express
up to \$49.99	\$12.00	\$16.50	\$27.50	\$44.00
\$50 - \$99.99	\$14.00	\$19.50	\$32.50	\$52.00
\$100 - \$199.99	\$16.00	\$22.50	\$37.50	\$60.00
\$200 - \$499.99	\$22.00	\$30.00	\$50.00	\$80.00
\$500+	5.5% of order	7% of order	10% of order	17% of order
Arrival Time	Typically arrives in 7 to 10 business days			

Note: For extended delivery areas, add \$10.00 to delivery charge.

- All of the above shipping terms and pricing remain subject to change from time to time by Canadian Linen and Uniform Service Co. Canadian Linen and Uniform Service Co. shall provide Customer with notice of any updates or changes to its shipping policies or prices. All such updates and/or changes shall take effect upon the giving to Customer of such notice.

PRODUCT PRICING:

Pricing for items not included on Schedule I will be quoted separately.

SCHEDULE III

Special Merchandise Initial Forecast

(No special merchandise forming this current agreement.)