

General Terms and Conditions for Purchase Orders

1. DEFINITIONS. As used herein:

(a) "Company" means Northwest Natural Gas Company, d/b/a NW Natural, and its successors and assigns.

(b) "Delivery Date" means the date stated in the Purchase Order by which Vendor must deliver the Goods to the Company at a specified location.

(c) "Goods" means the personal property purchased by the Company under the Purchase Order.

(d) "Project" means the project described in the Purchase Order.

(e) "Purchase Order" means the Purchase Order that incorporates these Terms and Conditions by reference. The Purchase Order, together with these Terms and Conditions and any other document incorporated into the Purchase Order, will constitute the contract between the Company and Vendor. References to the "face of the Purchase Order" will mean the Purchase Order form itself.

(f) "Purchase Price" means the total price of the Goods and Services provided under the Purchase Order.

(g) "Services" means those services, if any, provided by Vendor under the Purchase Order.

(h) "Subcontractor" will mean and refer to any entity or person that is a party to a contract at any tier to perform or furnish a part of Vendor's obligations under the Purchase Order, whether labor, services, materials, supplies, tools, equipment, or any other part and whether performed or furnished at the Project site or elsewhere.

(i) "Vendor" means the supplier of the Goods and Services provided under the Purchase Order.

2. BINDING AGREEMENT UPON SIGNATURE. By signing the Purchase Order, Vendor and the Company agree to all the terms and conditions of the Purchase Order, including without limitation these Terms and Conditions.

3. TIME OF PERFORMANCE.

(a) Vendor acknowledges and agrees that *TIME IS OF THE ESSENCE* in the performance of the Purchase Order.

(b) Vendor will perform and complete the Services, and will deliver any identified deliverables, in accordance with the schedule described in the Purchase Order.

(c) Vendor will deliver the Goods to the location specified in the Purchase Order by the Delivery Date.

(d) Vendor will undertake programs of manufacture and other efforts as necessary to deliver the Goods by the Delivery Date, including those the Company may reasonably require. Specifically, and without limiting the foregoing, these programs and other efforts are subject to expediting by the Company. Vendor will provide the Company with copies of all documents necessary for efficient expediting, and it will provide the Company free access to its facilities and the facilities of the Subcontractors at any reasonable time to perform expediting or

General Terms and Conditions for Purchase Orders

REVISION 11.15.22

Page 1

otherwise satisfy itself that delivery will be performed by the Delivery Date. Vendor will notify the Company immediately if the Delivery Date may be delayed.

(e) If the Delivery Date is more than two (2) weeks after the date of the Purchase Order, Vendor will provide the Company at least two (2) weeks prior written notice that the Goods are ready for delivery. Thereafter, the Goods will not be delivered without the Company's written instructions, which instructions will include a certificate, release or similar document stating that the Goods have passed inspection at Vendor's facility, if such an inspection by the Company is required by the Purchase Order. If the Company issues instructions to delay delivery of the Goods, and if those instructions extend the Delivery Date, the Company will bear the reasonable cost of storing, protecting and insuring the Goods, and the Company will make payment under the Purchase Order as if delivery occurred on the Delivery Date. Nevertheless, Vendor will make all necessary arrangements and pay for storing, protecting and insuring the Goods, and will remain responsible for these matters until the Goods are delivered. If Vendor delivers the Goods without or contrary to the Company's instructions, Vendor will bear the costs and expenses incurred by the Company as a result of Vendor's failure to obtain or follow the Company's delivery instructions, including but not limited to the cost of storing, protecting and insuring the Goods up to the date on which the Company would have accepted delivery, if the Goods are delivered early.

4. RISK OF LOSS/TITLE.

(a) Vendor will bear the risk of loss to the Goods until the Goods are delivered to the location specified in the Purchase Order.

(b) Title to the Goods will pass to the Company when the Goods are delivered to the location specified in the Purchase Order.

5. TERMINATION FOR CONVENIENCE/ SUSPENSION.

(a) The Company will have the right to terminate the Purchase Order at any time for its convenience and without cause, upon written notice of the termination to Vendor. In the event of a termination under this Section, Vendor will immediately cease performance of the Purchase Order and will be paid pursuant to Section 8 for those Goods and Services furnished prior to termination and for Vendor's reasonable costs resulting from termination, but in no event will Vendor be paid for lost profits on Goods and Services not furnished to the Company prior to termination.

(b) The Company may at any time suspend Vendor's performance of the Purchase Order, during which Vendor will properly care for and protect all Goods being manufactured, ordered, stored or otherwise prepared for delivery under the Purchase Order. If suspension or withdrawal of suspension justifies modification of the Purchase Price, the schedule for providing Services, the Delivery Date, or a combination of these, an equitable adjustment will be made and the Purchase Order will be modified in writing accordingly.

6. CHARGES FOR TRANSPORTATION, CONTAINERS, HANDLING AND PACKING SERVICES.

General Terms and Conditions for Purchase Orders

(a) Unless otherwise specified on the face of the Purchase Order, no charges will be paid by the Company for packing, packaging, loading, drayage, handling, containers, transportation, unloading or any other extras.

(b) Packages and packing material used with the Goods will be the property of the Company.

7. INVOICES, OTHER DOCUMENTATION, AND DISCOUNTS.

(a) Immediately upon delivery of the Goods, Vendor will mail to the Company in triplicate an invoice and either a signed bill of lading or a signed express receipt for each shipment showing (i) the number of packages (ii) the items contained in every package, (iii) the car number, routing, weight and through rate to destination, and (iv) loading tally or specification sheets showing the packages numbered consecutively and contents of each. All invoices will show clearly the charges, terms and method of payment.

(b) Vendor will include detailed packing lists in each package shipped, with a description of the Goods shipped and a copy of each packing list attached as applicable to the transport documents. The description of the Goods detailed on the packing list must include the Purchase Order line item number.

(c) Vendor will conspicuously include the word "PURCHASE ORDER" and the number assigned to the Purchase Order by the Company on all correspondence, invoices, notices or other documents in any way relating to the Purchase Order.

(d) Cash discount periods will begin from a date not any earlier than the date on which the Company receives a correct invoice and bill of lading or express receipt.

8. PAYMENT/TAXES.

(a) Unless otherwise provided in the Purchase Order and regardless of the provisions of any invoice submitted by Vendor, each invoice will be due and payable thirty (30) days from receipt by the Company.

(b) Vendor will pay all sales, use and other taxes on equipment, materials, and personal property used or purchased for use in connection with its performance of the Purchase Order, and will pay all sales, income, business or other taxes levied or imposed on Vendor, Vendor's business, or its performance of the Purchase Order.

(c) The Company will pay all sales taxes it owes, if any, for the purchase of the Goods.

9. INSPECTION OF GOODS BEFORE DELIVERY

(a) Vendor will provide the Company free access to its facilities and the facilities of the Subcontractors at any reasonable time to inspect the Goods, and the Company may reject any Goods that do not strictly conform in all respects to the Purchase Order at the time of the inspection. Upon such rejection, Vendor will promptly remedy such nonconforming Goods at Vendor's expense.

(b) The Company's issue of a certificate, release or similar

document, or any other communication stating that the Goods have passed inspection at Vendor's facilities will not constitute the Company's acceptance of the Goods, nor otherwise relieve Vendor of its duties or liabilities under the Purchase Order, including but not limited to its warranties.

(c) Any inspection, review, approval or comment by the Company with respect to the Goods or the Purchase Order will not (i) relieve, affect, or reduce Vendor's obligation to perform in accordance with the Purchase Order or (ii) constitute a waiver of the Company's rights under the Purchase Order with respect to nonconforming, defective or damaged Goods.

10. INSPECTION OF GOODS UPON DELIVERY. All Goods are subject to the Company's inspection upon delivery to it, even though payment therefore has been made prior to such delivery. The Company will have the right to reject and return all or any part of any shipment of defective, nonconforming, or damaged Goods. The Company's right of inspection and rejection, whether exercised or not, will not affect the Company's right to revoke acceptance or to pursue other remedies if defects, nonconformities or damage is discovered at a later date, notwithstanding that the defect, nonconformity or damage could have been discovered upon inspection. If the Company does so reject and return any Goods, Vendor agrees to and will refund to the Company that portion of the Purchase Price theretofore paid by the Company on account of such defective, nonconforming or damaged Goods, and agrees to and will repay to the Company all charges incurred by the Company for storage, handling and transportation of such defective, nonconforming or damaged Goods. Payment will not constitute acceptance of Goods. Vendor agrees to pay or reimburse the Company for invoice, delivery, or labor costs and other costs incurred in sorting, inspecting, and packing defective, nonconforming, or damaged Goods for return, and Vendor agrees to pay for or reimburse the Company for freight for Goods that the Company returns to Vendor for replacement or refund.

11. DESCRIPTION AND STANDARD OF SERVICES

(a) Vendor will perform the Services described in the Purchase Order. The Services will include any services performed by Vendor on the Project prior to the date of the Purchase Order.

(b) Vendor warrants that it and the Subcontractors are fully licensed, registered or otherwise authorized to perform the Services in the State of Oregon to the extent applicable law requires such licensure, registration or authorization.

(c) Vendor will coordinate the Services with the services of engineers, contractors and others working on the Project.

(d) Vendor and the Subcontractors will exercise that degree of care in performing the Services in accordance with that prevailing among firms of comparable standing when performing similar services for projects similar to the Project in the jurisdiction where the Project is located ("Professional Standard"). Vendor will promptly correct or re-perform those Services not meeting the Professional Standard, without additional compensation.

(e) During the performance of the Purchase Order, Vendor will follow any reasonable policies and procedures of the

General Terms and Conditions for Purchase Orders

Company regarding performance of services or work on the Project, and Vendor will cause the Subcontractors to comply with these policies and procedures. But nothing in this paragraph requires the Company to develop policies and procedures or to provide policies and procedures to Vendor.

(f) The Company's review, approval, acceptance, use, or payment for all or any part of the Services will in no way alter Vendor's obligations or the Company's rights under the Purchase Order, and will not excuse or diminish Vendor's responsibility for performing the Services in accordance with the Purchase Order.

(g) Vendor agrees to immediately provide the Company notice of any claim made against Vendor by any third party for acts or omissions related to, or that may impact the completion of, the Services.

(h) Vendor will be responsible for the safety of its employees and those of the Subcontractors, and Vendor will take all reasonable precautions to prevent personal injury, death and property damage resulting from (1) the Services or (2) the acts or omissions of Vendor or the Subcontractors.

(i) Vendor will perform the Services as an independent contractor and employing unit. Although Vendor will perform its Services for the benefit of the Company, and although the Company reserves the right to determine the schedule for the Services and to evaluate the quality of the completed performance, the Company does not control the means or methods of Vendor's performance. Vendor is solely responsible for determining the appropriate means and methods of performing the Services, and Vendor's liability therefor will not be diminished by any review, approval, acceptance, use or payment for the same by the Company or any other party.

(j) If Vendor is providing Services under the Purchase Order, and Vendor or a Subcontractor becomes aware of a condition or circumstance at the Project site that (1) may harm property or persons (such as hazardous materials released on the Project site) or (2) could be harmed by activities at the Project site (such as wetlands or an archaeological site located on the Project site), then Vendor will immediately cease its activities and those of the Subcontractors in that vicinity of the Project site, will immediately notify the Company by the most expeditious means with prompt written confirmation, and will not resume its activities or those of the Subcontractors in that vicinity until directed by the Company to do so.

12. LEGAL COMPLIANCE. Vendor will comply fully with all applicable laws, statutes, ordinances, rules, regulations, orders, interpretations of law, or other requirements lawfully made or imposed by any governmental authority or agency.

13. DRUG & ALCOHOL TESTING REQUIREMENTS. Vendor will implement any drug, alcohol and substance abuse testing, education or training programs required by applicable law (including but not limited to 49 CFR Parts 40, 199 and 382) or as requested by the Company. All costs associated with Vendor's drug, alcohol and substance abuse testing will be Vendor's sole responsibility. Prior to the commencement of the Services, Vendor will submit proof of compliance of this paragraph by completing and submitting the

"Drug/Alcohol Testing Program" information sheet attached hereto as Exhibit A to the following address:

Human Resources Department
NW Natural
250 SW Taylor Street
Portland, OR 97204

Vendor will also promptly notify the Company of any changes to its testing program during the term for which the Vendor is providing Services to the Company or afterwards upon reasonable request by the Company.

14. DEFAULT IN PERFORMANCE – RIGHTS AND REMEDIES.

(a) If Vendor fails to deliver the Goods on the Delivery Date, fails to perform the Services, or otherwise is in default under the Purchase Order, the Company may terminate the Purchase Order after giving Vendor 7 days' written notice and Vendor fails to cure the default during that 7 day period. In the event of such termination, and in addition to exercising any other available remedies, the Company may:

- (i) procure elsewhere goods and services similar to the Goods and Services, in which case Vendor will be liable for any costs for such similar goods and services in excess of the Purchase Price together with the Company's other damages; or
- (ii) require Vendor to deliver any undelivered Goods and any part thereof in an uncompleted state and all raw materials and supplies connected therewith necessary to enable the Company to complete the manufacture of the Goods, in which case (1) Vendor will reimburse the Company for all costs and expenses incurred to complete the manufacture the Goods in accordance with the Purchase Order and (2) the Company will be entitled to use Vendor's plant and equipment at Vendor's sole cost and expense to effect the remedy provided by this paragraph.

(b) The following will constitute default under the Purchase Order:

- (i) the failure of Vendor to deliver the Goods on the Delivery Date, to perform the Services, or to perform any other obligation under the Purchase Order;
- (ii) the filing by Vendor of a petition in bankruptcy or for reorganization under the Bankruptcy Act, or the entry of an order upon petition against Vendor adjudicating Vendor bankrupt, or the appointment of a receiver of Vendor or any property belonging to Vendor necessary for the performance of its obligations under the Purchase Order;
- (iii) the failure of Vendor to pay when due any charge for labor, equipment, material or services incurred in connection with the Purchase Order; or
- (iv) the failure of Vendor otherwise to comply with the Purchase Order.

General Terms and Conditions for Purchase Orders

(c) Nothing in this Section will be so construed as to limit or prevent the exercise of any right or remedy to which the Company may be entitled by law or equity by reason of any default by Vendor under the Purchase Order.

15. INDEMNIFICATION.

(a) Vendor will defend, indemnify, hold harmless and reimburse the Company and its affiliates, subsidiaries, officers, directors, shareholders, agents and employees, and the successors, assigns and invitees of any of them (collectively, "Indemnitees"), from, for and against all claims, demands, suits, causes of action, penalties, liabilities, damages, costs, losses and expenses of every kind and character, whether actual or alleged and whether directly incurred or from third parties, including without limitation attorneys' fees and expert witnesses' fees and litigation expenses, arising out of or relating to (a) the breach of the Purchase Order by Vendor, (b) the negligence or other wrongful acts or omissions of Vendor or any of the Subcontractors or others performing work or services by or on behalf of Vendor under the Purchase Order, or (c) noncompliance of any legal requirement by Vendor or any of the Subcontractors or others performing work or services by or on behalf of Vendor under the Purchase Order.

(b) Vendor will defend any suit, demand, claim or action instituted against the Company or the other Indemnitees involving the sale, possession or use of the Goods or based upon any alleged infringement of any patent, copyright, trademark or other intellectual property right, and Vendor will indemnify, hold harmless and reimburse the Company and the other Indemnitees from, for and against all penalties, liabilities, damages, costs, losses and expenses of every kind and character occasioned thereby, whether actual or alleged and whether directly incurred or from third parties, including without limitation attorneys' fees and expert witnesses' fees and litigation expenses. Vendor further agrees to pay any judgment or reasonable settlement offer resulting from such a suit, demand, claim or action. In addition to the foregoing, if there is such a suit, demand, claim or action, Vendor agrees, as soon as possible, to either procure for the Company the right to continue using the Goods, replace the Goods with other non-infringing items, or modify the Goods so they become non-infringing; but the replacement or modified items will be equal in all material respects to the Goods and satisfactory to the Company.

16. WARRANTIES FOR THE GOODS.

(a) Vendor warrants that the Goods (i) will strictly conform in all respects to the specifications contained in the Purchase Order, (ii) will be new and of the best quality and description, (iii) will be merchantable and fit for the particular purpose for which they are intended to be used, (iv) will be free from defects in design, material and workmanship, (v) will be manufactured in accordance with good manufacturing practices, and (vi) will not be modified or changed in their design, materials or components without the prior written consent of the Company. This warranty will be in addition to and not be deemed to exclude (A) implied warranties under applicable law, including those that may arise from course of dealing or usage of trade, or (B) any other express warranties made by Vendor under the Purchase Order or applicable law.

(b) At any time during the period of 18 months from delivery of the Goods or 12 months from when the Project is fully

operational, whichever occurs later, Vendor will, at its sole cost and expense, and as soon as practicable, but in no event more than 21 days after notice, repair or replace any Goods that do not conform to the warranties of this Section, normal wear and tear excepted. If Vendor fails to repair or replace any nonconforming Goods within the time specified in this Section, the Company may cause the repair or replacement of the Goods to be executed at Vendor's cost and expense, which may be set off against any amounts due Vendor from the Company or, if no amounts are due, then Vendor will reimburse the Company for the cost and expense upon demand therefore.

(c) The warranties and other obligations of this Section will apply to Goods repaired by Vendor under this Section or replacement Goods provided by Vendor under this Section.

(d) Vendor will ensure that all third-party warranties related to the Goods will be assignable to the Company.

17. APPROVAL/CERTIFIED DRAWINGS. If the Purchase Order specifies that design documents identified as "Approval Drawings," "Certified Drawings" or words to that effect are to be supplied by Vendor by a specified date, the Company may terminate all or part of the Purchase Order if such design documents are not received by the required date, and Vendor will not be entitled to termination costs if the Purchase Order is terminated for this reason. If the Goods differ in dimensions from those in the design documents required by the Purchase Order, the Company, in addition to exercising any other available remedies, may reject or revoke its acceptance of the Goods or demand reimbursement from Vendor for all costs and expenses it incurs to alter the Goods or other property affected by the difference.

18. DISCREPANCIES. If there appears to be any conflict or discrepancy in description, dimensions, quantities or specifications in the Purchase Order, Vendor will immediately bring the conflict or discrepancy to the Company's attention for clarification or decision before proceeding with manufacture or supply of the Goods which may be affected by the conflict or discrepancy.

19. CHANGES. From time to time during the performance of the Purchase Order, the Company may instruct Vendor to change Goods, add Goods to or omit Goods from the Purchase Order. Provided the terms of this Section are fulfilled, Vendor will execute the changes, additions or omissions as instructed upon the same terms and conditions contained in the Purchase Order so far as the same may be applicable. If Vendor receives instructions that may delay the Delivery Date, increase the Purchase Price or affect its warranties, Vendor will so notify the Company in writing, specifying its best estimate of the effects of the Company's instructions within 7 days after its receipt of them. Within 7 days after the Company receives Vendor's estimate, the Company will notify Vendor to ignore or execute its instructions upon such terms and conditions as are acceptable to the Company. The instructions will not be deemed to have been given, nor will the Purchase Order be deemed to be changed, until the Company has issued its written response to Vendor's estimate. If Vendor fails to notify the Company that its instructions may delay the Delivery Date, increase the Purchase Price or affect its warranties within the time specified in this Section, Vendor's execution of the Company's instructions will be at Vendor's risk, and Vendor will not be entitled to a change in

General Terms and Conditions for Purchase Orders

the Delivery Date, an increase in the Purchase Price or a change in its warranties. If the Company fails to issue its response to Vendor's estimate within the time specified by this Section, the Company will be deemed to have instructed Vendor to ignore its instructions. In all applicable cases, Vendor will give the Company the benefit of all unit or time and material pricing set forth in its response to the inquiry that resulted in the Purchase Order.

20. INSURANCE.

(a) Vendor at its own expense will secure and maintain transit insurance in an amount sufficient to cover any and all loss or damage associated with the Goods purchased under the Purchase Order.

(b) If Vendor is providing Services under the Purchase Order, Vendor at its own expense will secure and maintain the following insurance coverages against claims and liabilities arising out of or related to the Purchase Order:

- (i) Workers' Compensation Insurance, with limits of liability of not less than those required by the applicable statutes;
- (ii) Employer's Liability Insurance, with limits of liability of not less than \$1,000,000 per accident, \$1,000,000, disease – each employee and \$1,000,000 disease – policy limit;
- (iii) Comprehensive General Liability Insurance, with limits of liability of not less than \$1,000,000 per occurrence, \$2,000,000 aggregate and \$2,000,000 Products/ Completed Operations;
- (iv) Business Automobile Liability Insurance, applicable to any automobile assigned to or used in the performance of the Purchase Order, whether owned, hired or non-owned, with a limit of liability of not less than \$2,000,000 combined single limit per accident;
- (v) Pollution Liability Insurance, with limits of liability of not less than \$2,000,000 per claim, Pollution liability insurance will include, without limitation, coverage for (a) transporting of hazardous waste and materials and (b) non-owned disposal sites (NODS);
- (vi) Excess/Umbrella Liability Insurance, with limits of liability of not less than \$4,000,000 each occurrence, \$4,000,000 aggregate, and this insurance coverage will be excess to and at least as broad as all insurance required in parts (i), (ii), (iii), and (iv) of this Section 20(b);
- (vii) Cyber/Technology Liability Insurance, with limits of liability of not less than \$2,000,000 each occurrence, \$4,000,000 aggregate, and this insurance will cover liability for (1) losses arising from any acts, errors, or omissions related to the Services provided under the Purchase Order, (2) breaches of security, and (3) noncompliance with federal or state privacy laws or regulations; and

(viii) Professional Liability Insurance specifically written to cover the professional services to be performed under the Purchase Order, with a limit of not less than \$2,000,000 each claim.

(c) Except for Workers' Compensation Insurance, the policies required by this Section will be maintained until the expiration of the applicable statute of repose.

(d) The insurance companies providing insurance required by this Section will be first-class insurers and underwriters with an *A.M. Best's* financial strength rating of A- or better and financial size category of X or better.

(e) The policies required by this Section (other than professional liability insurance) will be endorsed to name the Company and its subsidiaries, affiliates, officers, directors, employees, agents and shareholders, and their respective successors and assigns, as additional insureds, using endorsements approved by the Company. The coverage under the additional insured endorsement will (i) be primary and noncontributory with respect to any insurance of the additional insureds, (ii) provide the same coverages and limits to the additional insured as are afforded to the primary insured as required by this Section 20, (iii) not be limited to vicarious liability, (iv) cover losses that occur before and after the Services are completed, (iv) be maintained for the same durations as the coverages afforded to the primary insured as required by this Section 20 and (v) provide coverage to all persons or entities identified as additional insureds in this Section 20, whether or not they are in contractual privity with the insured. Blanket endorsements will not be acceptable.

(f) The policies required by this Section will contain a waiver of subrogation against the Company and its subsidiaries, affiliates, officers, directors, employees, agents and shareholders, and their respective successors and assigns.

(g) The Commercial General Liability and Business Automobile Liability policies required by this Section will provide cross-liability coverage as would be achieved under the standard Insurance Services Office (ISO) separation of insureds clause, without any exclusions for cross-liability.

(h) Vendor will deliver to the Company evidence in a form satisfactory to the Company demonstrating the insurance required by this Section. At the Company's request, Vendor will also provide copies of the insurance policies required by this Section.

(i) The policies required by this Section will include provisions requiring that they will not be cancelled or allowed to expire without thirty (30) days prior written notice to the Company.

(j) Any and all deductibles in the insurance policies required by this Section will be assumed by, for the account of, and at the sole risk of Vendor.

(k) Any additional general liability insurance (including but not limited to additional excess and umbrella coverages) that is maintained by Vendor and the Subcontractors will be deemed to have been required in this Section 20 and the requirements of parts (e) and (f) of this Section 20 will apply to such insurance.

General Terms and Conditions for Purchase Orders

21. USE OF DOCUMENTS.

(a) All drawings, specifications, calculations and other documents, including electronic representations of same, provided by the Company or its contractors or consultants to Vendor will be the sole property of the Company or its contractors or consultants. Such documents, including the concepts, designs, and information therein, may be used by Vendor only for purposes of performing the Purchase Order.

(b) All drawings, specifications, and other work product of Vendor that result from the Purchase Order ("Work Product") will be provided to the Company upon request and will be considered the exclusive property of the Company. If any of the Work Product contains intellectual property of Vendor or the Subcontractors that is or could be protected by federal copyright, patent, or trademark laws, or state trade secret laws, Vendor hereby grants the Company a perpetual, royalty-free, fully paid-up, nonexclusive and irrevocable license to copy, reproduce, perform, dispose of, use and re-use, in whole or in part, and to authorize others to do so for the benefit of the Company, all such Work Product. Vendor will include or cause to include a provision consistent with this Section in all contracts with the Subcontractors.

22. REMOVAL OF LIENS; INDEMNITY RE LIENS.

Within ten (10) days after written demand by the Company, Vendor will cause any lien on the Project site or on any improvements to the Project site to be removed by payment, furnishing and perfecting a lien release bond or deposit pursuant to applicable law, or such other means as are acceptable to the Company in its sole discretion. Vendor will indemnify, hold harmless, reimburse, and defend the Company and other entities and persons with ownership, leasehold, security, or other interests in the land or improvements subject to the lien from, for, and against any and all costs incurred as a result of such lien, including but not limited to attorneys' and expert witnesses' fees.

23. CONFIDENTIAL INFORMATION.

(a) During the course of the Project, the Company, its affiliates or its consultants may disclose and make available to Vendor Confidential Information related to the Project.

(b) "Confidential Information" will mean all oral and written non-public, confidential or proprietary information, whether or not indicated as such, including, but not limited to, disclosures, analyses, data and document items or compilations, studies, models, technical and engineering information, customer information, financial and commercial information, designs, drawings, plans, permits, sites, business plans and proposals, feasibility studies, economic data, market data, concepts, trade secrets, know-how, processes, notes, computer programs, system or other maps, reservoir and geology information, reservoir/sand performance characteristics, information of land ownership and rights, information of rights-of-way for pipeline development, and any other information related to the Project, prepared by the Company, its affiliates or consultants, or others. Confidential Information will not include any information in Vendor's possession or control that: (i) is lawfully in the possession or control of Vendor prior to the date of the Purchase; (ii) is or

becomes available to the public other than through a violation of the Purchase Order; (iii) is given to Vendor by a third party that has no obligation to keep such information confidential; or (iv) is approved for disclosure in writing by the Company.

(c) Vendor agrees that it will not use all or any portion of the Confidential Information provided to it except to the extent reasonably necessary to perform its obligations under the Purchase Order. Likewise, Vendor agrees that it will not, directly or indirectly, disclose all or any part of the Company's Confidential Information to any person or entity, including the Subcontractors, except that Vendor may provide Confidential Information to its own directors, officers, employees, agents, counsel, auditors, consultants, affiliates, and Subcontractors who (i) need to know the Confidential Information, (ii) agree to be bound by the terms of the Purchase Order to the same extent Vendor is bound, and (iii) agree to use the Confidential Information only for the purposes enumerated. At all times, Vendor will observe the same degree of care with respect to the Confidential Information as Vendor would observe with respect to its own proprietary property, confidential information, and trade secrets, and at a minimum must observe reasonable care.

(c) The duration of Vendor's obligation not to disclose Confidential Information is for a period of three (3) years from the date of the last disclosure of Confidential Information.

(d) If Vendor or the Subcontractors are or become legally compelled to disclose Confidential Information, Vendor will provide the Company with prompt written notice of the nature and source of the legally compelled disclosure requirement. The Company thereafter may seek a protective order or other remedy necessary to protect the Confidential Information. If the Company does not obtain a protective order or other remedy, then Vendor or the Subcontractors who are compelled to disclose will disclose only that portion of the Confidential Information that they are legally compelled to disclose.

24. REPRESENTATIONS AND WARRANTIES OF VENDOR.

Vendor represents and warrants to the Company as follows:

- (i) Vendor has good and marketable title to the Goods sold under the Purchase Order, free and clear of liens, claims and encumbrances, and Vendor has full right, power and authority to sell, assign, transfer and deliver such Goods pursuant to the Purchase Order;
- (ii) the delivery of the Goods sold under the Purchase Order will vest in the Company good and marketable title thereto, free and clear of all liens, claims and encumbrances;
- (iii) the Purchase Order has been duly authorized by all necessary corporate action of Vendor and duly executed and delivered by Vendor, and is a legal, valid and binding obligation of Vendor, enforceable in accordance with its terms; and
- (iv) Vendor has not employed any broker, finder or agent or dealt with anyone purporting to act in such capacity or agreed to pay any brokerage fee, finder's fee or

General Terms and Conditions for Purchase Orders

commission with respect to the transaction contemplated by the Purchase Order.

25. ASSIGNMENT. Vendor will not assign its rights or delegate its duties under the Purchase Order without obtaining prior written consent of the Company and any attempted assignment or delegation without such consent will be void. At its discretion, the Company may assign its rights or delegate its duties under the Purchase Order.

26. ENTIRE AGREEMENT. The terms and conditions stated on the face of the Purchase Order, together with these Terms and Conditions and the terms and conditions of any other document incorporated into the Purchase Order, constitute the entire agreement between Vendor and the Company with respect to the subject matter of the Purchase Order, and said terms and conditions will supersede and nullify any prior agreements or understandings concerning said subject matter or any portion thereof.

27. APPLICABLE LAW. The contract created as a result of acceptance of the Purchase Order, and the rights and obligations of the parties arising under the Purchase Order, will be subject to the provisions of the applicable laws of the State of Oregon.

28. DISPUTE RESOLUTION. Any claim, dispute or other matter in question arising out of or related to the Purchase Order will be decided before a single arbitrator by binding arbitration. The demand for arbitration will be filed in writing with the other party. The parties will mutually select the arbitrator and the rules applicable to the arbitration process. If the parties cannot agree on the choice of an arbitrator and/or the applicable rules, the parties will apply to the local state court to appoint the arbitrator and select the rules. The arbitrator is specifically empowered to award attorneys' fees, expert witnesses' fees and litigation costs to the extent allowed by contract or applicable laws. The arbitration may include, by consolidation or joinder or in any other manner, any additional persons or entities if (1) such persons or entities are materially involved in a common issue of law or fact in dispute and (2) such persons or entities are either contractually bound to arbitrate or otherwise consent to arbitration. If another involved person or entity will not consent to arbitration, NW Natural, in NW Natural's sole discretion, has the option to elect consolidated litigation in court by a bench trial to resolve the dispute. Each party waives its right to jury trial. However, if another involved person or entity will not consent to a bench trial, NW Natural, in its sole discretion, has the option to elect a consolidated jury trial. It is understood that the purpose of this paragraph is to allow NW Natural to determine the best means of achieving a reasonably consolidated proceeding (not necessarily a totally consolidated proceeding) that will minimize duplicative processes and minimize the risk of inconsistent results, in the following order of preference: (i) a consolidated arbitration of significant parties, if possible; (ii) alternatively, a consolidated bench trial of significant parties, if possible; or (iii) alternatively, and as a last resort, a consolidated jury trial of significant parties.

29. FORCE MAJEURE. If the performance of the Purchase Order by either the Company or Vendor, or of any obligation under the Purchase Order, is prevented, restricted, or interfered with by reason of war; terrorism; revolution; civil commotion; acts of public enemies; blockade; embargo; national

strikes; any law, order, proclamation, regulation, ordinance, demand, or requirement having a legal effect of any government or any judicial authority or representative of any such government; any other act whatsoever, whether similar or dissimilar to those referred to in this Section, that is beyond the reasonable control of the party affected, then the party so affected will, upon giving written notice to the other party, be excused from such performance to the extent of such prevention, restriction, or interference, provided that the party so affected will use commercially reasonable efforts to avoid or remove such causes of nonperformance, and will continue performance under the Purchase Order whenever such causes are removed. The notice required under this Section will be provided in writing by the party affected within 7 days after notice of the event causing the delay and, if not so provided, the party affected waives its rights to be excused from the delayed performance.

30. ATTORNEYS' FEES. In the event of any arbitration or trial court suit or action between or involving the parties arising out of or relating to the Purchase Order or the breach thereof, to obtain an interpretation of or enforce any provision of the Purchase Order, to rescind the Purchase Order, or to enforce or collect any award obtained during arbitration or any judgment or decree of any court relating to the Purchase Order, the prevailing party will be entitled to recover its attorneys' and expert witnesses' fees and related costs, disbursements and expenses incurred before and during the arbitration, at trial, on review for appeal, on appeal, on request for reconsideration and on reconsideration, regardless of when reconsideration is requested or granted, as the arbitrator or court may adjudge reasonable.

31. HAZARDOUS MATERIALS. Goods that contain hazardous materials must be marked or identified by Vendor with international danger symbol(s) and conspicuously display the name of the hazardous materials in English and any other language(s) required by the Purchase Order. Transit and other documents must include conspicuous declaration of the hazard and the name of the hazardous materials in English and any other language(s) required by the Purchase Order. Goods that contain hazardous materials will be accompanied by written emergency information in English and any other language(s) required by the Purchase Order. If Vendor is responsible for the packing or delivery of Goods that contain hazardous materials, it will comply with all laws, treaties or conventions applicable thereto. All information known by or reasonably available to Vendor regarding any known or potential hazard in the transport, handling or use of the Goods will be promptly communicated to the Company.

32. INCORPORATION OF VENDOR'S DOCUMENTS. If a document submitted by Vendor is incorporated in the Purchase Order, any conflicts between the document and the Purchase Order will be resolved in favor of the Purchase Order. Any limitations of liability, waivers of damages, or disclaimers of warranty or liability contained in a document submitted by Vendor that is incorporated in the Purchase Order will not apply to the Project or the Purchase Order.

33. SUCCESSORS AND ASSIGNS. The terms and conditions of the Purchase Order will inure to the benefit of and be binding upon the respective successors and assigns of the parties. Except as expressly provided in the Purchase Order, nothing in the Purchase Order, express or implied, is intended to

General Terms and Conditions for Purchase Orders

confer upon any party, other than the parties hereto or their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of the Purchase Order.

34. SURVIVAL. All rights and obligations set out in the Purchase Order and arising under the Purchase Order will survive the termination of the Purchase Order (i) as to the parties' rights and obligations that arose prior to such termination and (ii) as is necessary to give effect to rights and obligations that arise after such termination but derive from a breach or performance failure that occurred prior to the termination. Provisions that expressly survive termination include, but are not limited to, those relating to confidentiality, indemnity, insurance, dispute resolution and attorneys' fees.

35. HEADINGS. The headings used in the Purchase Order are used for convenience only and not to be considered in construing or interpreting the Purchase Order.

36. SEVERABILITY. In the event any term or provision of the Purchase Order is determined to be invalid, in conflict with any law, void, or otherwise unenforceable, and provided the terms and provisions of the Purchase Order that are essential to the interests of the Company and Vendor remain substantially in effect, then the remaining terms and provisions will continue in full force and effect and the offending term or provision will be given the fullest meaning and effect allowed by law.

37. WAIVER. No waiver, consent, modification or change of terms of the Purchase Order will bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, will be effective only in the specific instance and for the specific purpose given.

38. REMEDIES CUMULATIVE. The Company's remedies under the Purchase Order are cumulative and are in addition to other remedies provided by law or equity.

39. NOTICES. Notice under the Purchase Order will be deemed properly given if mailed via certified mail return receipt requested, or delivered personally or by messenger or courier, or transmitted by facsimile transmission. Subject to the foregoing, such notice will be effective three (3) days after mailing if mailed, upon delivery if delivered, and upon receipt if transmitted by facsimile transmission.

40. BOOKS AND RECORDS; AUDIT. Vendor will maintain adequate records of all activities pursuant to the Purchase Order and will retain such records not given to the Company for a period of three (3) years after final payment or termination, whichever is later. The Company will have the right, at its own expense, upon reasonable notice and at reasonable times, to examine and audit and to obtain copies of the relevant portions of Vendor's records related to the Purchase Order, including but not limited to records pertaining to Vendor's actual costs incurred related to or arising out of a termination of the Purchase Order. This right to examine, audit, and to obtain copies will not be available with respect to proprietary information not directly relevant to the Purchase Order. The Company will compensate Vendor for its out-of-pocket expenses incurred in connection with the Company's audit.

41. PUBLICITY. Vendor will not use in its external advertising, marketing programs or other promotional efforts any data, pictures, or other representations of the Project or of the Company except with the prior written authorization of the Company in each instance.

42. BACKGROUND CHECKS. Vendor will ensure that Vendor's and the Subcontractors' employees, agents, and other personnel assigned to perform the Services submit to criminal background checks performed by a screening agency selected by the Company. Vendor will bear the costs of the background checks.

43. COMPLIANCE WITH COMPANY POLICIES. Vendor, the Subcontractors, and their respective employees, agents, and other personnel will at all times comply with the Company's Supplier Code of Ethics, Code of Ethics and Human Rights Policy, as well as any other Company policies with respect to conduct that are currently in effect or adopted hereafter, including the Company's Standards of Conduct, Inside Information and Trading Policy, and any applicable safety policies (collectively, with the Supplier Code of Ethics, Code of Ethics and Human Rights Policy, the "Company Policies"). The Company's Supplier Code of Ethics, Code of Ethics and Human Rights Policy are available at the Company's website, www.nwnatural.com/suppliers. Copies of all other applicable policies will be provided to Vendor upon written request. These policies may, in some cases, have requirements that exceed but do not conflict with legal requirements. For the avoidance of any doubt, to the extent requirements differ, Vendor will perform to the most demanding standard required among any legal requirements, the Company Policies, and the terms of the Purchase Order. Vendor will report to the Company any conduct by the Company, or its employees, that it believes in good faith to be a violation of the Company Policies or legal requirements applicable to the Company. Vendor will cause the employees, agents, and other personnel of Vendor and the Subcontractors to comply with the policies and procedures referenced in this Section 43.