



CNL STANDARD TERMS & CONDITIONS FOR THE SUPPLY OF MATERIALS AND/OR SERVICES (Rev. 1)

1. **Contract Interpretation, Order of Precedence.** The following documents, in order of precedence, shall form the contract (the “**Contract**”) between Canadian Nuclear Laboratories Ltd. (“**CNL**”) and the materials and/or services provider set out on the Purchase Order (the “**Contractor**”, and together with CNL the “**Parties**”): (1) these terms and conditions (“**Terms**”); (2) the accompanying purchase order (“**Purchase Order**”); (3) any documents (except a Contractor proposal) referenced in the Purchase Order; (4) any other attached appendices; and (5) the Contractor proposal, if attached. Any conflict or inconsistency between the provisions of the Contract shall be resolved in the order listed above. Inclusion of a Contractor proposal is limited to incorporating the descriptions and specifications contained to the extent they do not otherwise conflict with prior Contract documents. Supplementary terms issued by CNL (“**Supplementary Terms**”) in addition to these Terms shall have equal priority with the Terms, unless the Supplementary Terms expressly state they take priority over the Terms. Where documents referenced in the Contract are available at http://www.cnl.ca/en/home/vendor_portal/references.aspx (“**Vendor Portal**”) the most recent version as at the date of the Purchase Order shall apply to this Contract. The Contractor accepts this Contract by commencing performance, in whole or in part, or by communicating its acceptance of same to CNL.
2. **Supply of Materials and/or Provision of Services.** The Contractor agrees to provide those materials (“**Materials**”) and/or supply those services (“**Services**”) including any deliverables (“**Deliverables**”), as identified in the Purchase Order or arising as a result of or in relation to provision thereof (collectively the “**Work**”), in accordance with this Contract and conforming in all material respects to the specifications set out in the Contract (“**Specifications**”), including all documentation published by the Contractor relating to the Work that does not conflict with the Specifications.
3. **Standards of Performance.** The Contractor shall provide the Work:
 - (a) in accordance with the schedule set out in the Contract (“**Schedule**”), including all specified performance timelines and delivery dates, understanding time is of the essence;
 - (b) in a safe, and workmanlike manner, exercising the degree of professionalism, skill, diligence, care, prudence, judgment, and integrity expected of a skilled and experienced Contractor for the Work, and minimizing interference with other CNL activities and property;
 - (c) using only personnel with the appropriate licenses, qualifications, skills, training and expertise necessary to carry out the Work consistent with applicable industry standards;
 - (d) free from defects in workmanship and conforming to the Specifications and requirements set forth in this Contract;
 - (e) in compliance with all laws, orders, regulations, codes, ordinances, standards, guidelines and other rules applicable to the Parties or the Work (“**Applicable Law**”);
 - (f) in compliance with all CNL policies, standards and instructions communicated to the Contractor as applicable to the Work, including all specified safety, security, environmental protection and quality assurance requirements, as well as CNL’s Supplier Code of Conduct available on the Vendor Portal; and
 - (g) with all applicable permits, licences, exemptions, consents, and approvals required for the Work.
4. **Qualifications and Key Personnel.** CNL may object to any Contractor personnel performing the Services who, in the reasonable opinion of CNL, lack appropriate skills or qualifications, engage in misconduct, constitute a safety risk or hazard, or are incompetent or negligent. Replacement personnel acceptable to CNL will be provided expeditiously. Where the Contractor’s proposal or Contract identifies key personnel for the Work, the Contractor may not substitute other persons for the Work without CNL approval. Any proposed replacement persons must have relevant qualifications and experience as good as or better than the person replaced.
5. **Safety Notices.** If at any time the Contractor, Materials manufacturer, and/or recognized reporting agency issues or communicates a safety warning (including any recall, alert, advisory, or warning) regarding the Materials, the Contractor shall forward the safety notification to CNL, follow any regulatory protocols and requirements, and take all steps necessary to remedy the situation. Likewise, if the Contractor becomes aware of any possible design defect or malfunction condition in the Materials or materials similar to those supplied under the Contract, the Contractor shall also inform CNL of the defect or malfunction at its earliest possible opportunity.
6. **Notice and Communication.** Any notices or other communications required under this Contract (“**Notice**”) shall be in writing and delivered by courier, email, or personal delivery, addressed to the other Party as set out on the Purchase Order or such other address as the Party may give Notice of under this section. Delivery of the Notice shall be effective on the date of receipt if by courier or personal delivery, and on the date sent if by email. If sent/received on a non-Business Day of the recipient, delivery shall be effective the next Business Day. “**Business Day**” means Monday – Friday until 5:00 p.m. Eastern Time, except holidays or days the receiving party’s offices are not open for business. A duplicate copy of any Notice to CNL regarding a dispute or breach under this Contract shall also be delivered to the attention of CNL Legal & Insurance, 286 Plant Road, Chalk River, ON, K0J 1J0.
7. **Packaging and Delivery.** The Contractor shall pack, load and deliver all Materials to CNL in accordance with the following:
 - (a) The Contractor shall deliver the Materials to the place (“**Delivery Location**”) and on the date (“**Delivery Date**”) set out on the Purchase Order. The Contractor must immediately Notify CNL if it is likely unable to meet the Delivery Date.
 - (b) The Materials shall be packed in a manner to ensure safe delivery to the Delivery Location in an undamaged condition. The Materials shall be packed and shipped in accordance with all Applicable Law and industry standards, and in accordance with any additional CNL instructions in the Contract. The Contractor is responsible to comply with all applicable import and export requirements, and to cooperate with CNL’s customs broker as directed by CNL.
 - (c) Title to any Materials shall pass to CNL upon the earlier of delivery or payment, in whole or in part, for such Materials. Risk of loss or damage to the Materials shall only pass to CNL upon delivery to the Delivery Location.
 - (d) Unless expressly permitted by CNL in the applicable Purchase Orders, Items listed in a Purchase Order must be packaged together and separate from items under another Purchase Order. The Purchase Order number must be clearly marked on the exterior of the package, as well as on any packing slips and additional documentation delivered with the Materials, failing which the shipment may be returned at the Contractor’s expense.
 - (e) Unless provided for in the Purchase Order, no additional charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging, or similar charges.
8. **Inspection and Acceptance.**
 - (a) Except as otherwise specified in the Purchase Order, CNL may reject any materially non-conforming Work under this Contract, in whole or in part, by Notice to the Contractor within fifteen (15) days of completion of the Work (“**Acceptance Period**”), failing which acceptance is deemed.
 - (b) Rejection of the Work by CNL within the Acceptance Period, or failure by the Contractor to provide the Work by the Delivery Date other than for reasons beyond the reasonable control of the Contractor, will entitle CNL at its sole option, without liability and at the Contractor’s expense, to any one or a combination of the following remedies:
 - (i) return of any rejected Materials, and a full and prompt refund by Contractor of any amounts paid by CNL under the Contract;

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- (ii) prompt replacement of rejected Materials and/or re-performance of rejected Services; and
 - (iii) termination of the Contract by Notice.
- (c) If the Contractor has failed to correct or remedy a breach in the provision of the Work, the Contractor shall pay to CNL immediately upon demand an amount equal to all costs, charges, expenses, and damages incurred or sustained by CNL by reason of such breach. Acceptance does not constitute compliance with the Contract.

9. **Changes.** CNL may make changes to the Work, including changes to the Schedule and Specifications, by way of a revised Purchase Order or Change Order issued by CNL and agreed to in writing by the Contractor. CNL may unilaterally change the Delivery Location by Notice at any time prior to actual shipment, with a corresponding adjustment to the Contract price in accordance with the actual increase/decrease in delivery costs to the Contractor by virtue of the change.

10. **Confidentiality.** The Contractor shall keep all information provided by CNL or developed hereunder (the "**Confidential Information**"), in strict confidence, and use it solely for the purposes of carrying out its obligations under this Contract. The obligations of the Contractor with respect to any particular portion of the Confidential Information shall not extend to Confidential Information that: (a) was in the public domain at the time the Confidential Information was disclosed, or becomes part of the public domain after disclosure through no fault of the Contractor; (b) was known to the Contractor at the time of the disclosure of the Confidential Information or becomes known to the Contractor without breach of this confidentiality obligation; or (c) is rightfully obtained from third parties.

11. **Privacy.** The Contractor shall comply with the requirements of the *Privacy Act*, as if the act applied to the Contractor.

12. **Intellectual Property.** Unless otherwise stated in the Purchase Order, ownership of all recorded information ("**Documentation**"), copyrightable or not, first produced, written, prepared, developed or reduced to practice ("**Produced**") by the Contractor in performance of this Contract, shall be delivered to, vest in and remain with CNL when Produced. To the extent the Work includes proprietary software or other intellectual property of the Contractor or a third party governed by a separate license agreement ("**Licensed IP**"), CNL's use of the Licensed IP shall be governed by the terms of such license agreement, on condition that CNL was provided with an advance copy of the applicable license agreement(s) for review and approval. To the extent that the Work contains any pre-existing Documentation or other intellectual property of the Contractor that is not Licensed IP ("**Background IP**"), the Contractor hereby grants to CNL a worldwide, royalty-free, non-exclusive, perpetual license to use, copy, modify, and distribute Background IP as part of the Work. In the event that any Work provided by the Contractor to CNL is subject to a claim or allegation of infringement of intellectual property rights of a third party, the Contractor shall, at its own option and expense, promptly provide CNL with a commercially reasonable alternative, including the procurement for CNL of the right to continue using the Work in question, the replacement of such Work with a non-infringing alternative satisfactory to CNL, or the modification of such Work (without affecting functionality) to render it non-infringing.

13. **Limitation of Liability.** Neither party shall be liable to the other party for any indirect, incidental, consequential losses or damages, of any nature, arising at any time, including any lost profits, data, goodwill, or business opportunity for any matter relating to this Contract.

14. **Warranties.**

- (a) The Contractor warrants the Work for a period of twelve (12) months after acceptance of such Work by CNL or the time period set out in the applicable manufacturer's warranty, whichever is greater, or such other time period as may be specified on the Purchase Order ("**Warranty Period**").
- (b) The Contractor shall assign to CNL all manufacturer's warranties for Materials not manufactured by or for the Contractor and shall take all necessary steps as required by such third-party manufacturers to effect assignment of such warranties to CNL.
- (c) The Contractor further warrants that any Materials provided are new (unless otherwise stated on the Purchase order), conform with any

samples previously provided to CNL, are free from defects in materials, design and workmanship, comply with all Applicable Laws, conform strictly with to the Specifications and Standards of Performance, and at the time title passes to CNL are free from any liens or encumbrances on title whatsoever.

- (d) In the event the Work provided fails to comply with the warranties herein during the Warranty Period, such Work shall be resupplied or re-performed by the Contractor without charge within thirty (30) days of Notice from CNL, and the Warranty Period for such Work shall be extended for an additional Warranty Period after CNL acceptance of the resupplied or re-performed Work. If such defects are not capable of being corrected within thirty (30) days, the Contractor shall commence cure of such defects in accordance with a schedule approved by CNL.
- (e) If the Contractor fails to correct, replace, or re-perform Work under warranty promptly to CNL's satisfaction, on reasonable Notice to the Contractor CNL may, itself or through third party contractors) correct, replace or re-perform the Work with satisfactory Materials and Services, and charge the Contractor for any costs incurred by CNL in doing so.
- (f) All direct and indirect costs associated with warranty servicing shall be borne by the Contractor, including costs of re-performance, inspections, shipping, travel expenses, and costs resulting from supply chain interruptions.

15. **Cumulative Remedies.** The rights and remedies of CNL under this Contract are cumulative and in addition to and not in substitution for any rights or remedies that may be available to CNL at law, in equity or otherwise. Nothing set out herein shall limit any remedy that CNL may otherwise have in law or equity.

16. **Set off and Repayment.** CNL has the right to set-off against the balance due or to become due to the Contractor under the Contract any reasonable and substantiated amounts due or to become due from the Contractor to CNL.

17. **Insurance.** The Contractor represents and warrants to CNL that it has in place with reputable insurers such insurance policies for coverages and amounts that would be maintained by a prudent Contractor supplying a similar scope and magnitude of goods and/or services to be provided hereunder, including:

- (a) in respect of provision of Services, Commercial General Liability insurance of \$3 Million (with CNL and its designates as additional insureds with respect to insurance coverages related to the Services), and Automobile Liability insurance of \$2 Million, if owned automobiles are to be used in the execution of the Services.
- (b) in respect of Materials, Commercial General Liability Insurance of \$3 Million.

18. **Workers' Compensation.** The Contractor shall be, at all times, registered with the workplace safety and insurance board under the applicable workplace safety and insurance legislation and shall maintain its workers' compensation accounts in good standing, and provide CNL with evidence of good standing upon request.

19. **Subcontracting and Assignment.** The Contractor may not assign or subcontract this Contract, in whole or in part, without CNL's prior written consent. Any assignment in violation of this Section is void and of no effect. The Contractor's permitted assignment or subcontracting of this Contract will not release the Contractor of its obligations hereunder. CNL may assign this Contract, in whole or in part, upon Notice to the Contractor. This Contract shall enure to the benefit of, and be binding upon, the parties and their respective legal personal representatives, heirs, executors, administrators, assigns, or successors.

20. **Independent Contractors.** The Contractor is, and shall remain at all times, an independent Contractor in connection with the Contract. The Contractor is not and shall not represent the Contractor to be an agent, joint-venturer, partner, employee, or representative of CNL or as being related to CNL in any way other than as an independent Contractor.

21. **Use of Name.** Neither the Contractor nor any representatives of the Contractor shall utilize the name or trade-marks of CNL or any of its affiliates in any communications, including any customer lists, without the express prior written authorization of CNL.

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22. **Site Requirements.** If the Work is to be performed on CNL property, the Contractor will comply with CNL's site specific terms and conditions for the applicable CNL property, available on the Vendor Portal, and at all times follow the instruction and direction of CNL staff with respect to conduct on site.
23. **Pricing.** Prices for the Work shall be as set out in the Purchase Order, inclusive of all direct, indirect, and incidental charges related to provision and delivery of the Work to CNL. Unless otherwise specified in the Purchase Order, prices and payment will be in Canadian funds. Price increases or charges not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by CNL. If expressly permitted in the Purchase Order, the Contractor may claim reasonable and permitted travel and incidental expenses. All claimed expenses must comply with CNL's expense policy.
24. **Taxes.** Unless otherwise stated in the Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes.
25. **Invoicing and Payment.**
- (a) The Contractor shall submit invoices and supporting documentation for the Work in accordance with this Contract and any payment schedule therein. Undisputed invoices shall be payable within forty-five (45) days of receipt.
 - (b) Unless otherwise provided in the Purchase Order, invoices shall be provided following delivery and/or completion of the Work, with the final invoice provided to CNL within ninety (90) days after expiry of the Acceptance Period or termination of the Contract, whichever is earlier, failing which the Contractor is deemed to have waived all charges and fees not so invoiced.
 - (c) All invoices must meet CNL's requirements, and at a minimum provide the applicable Purchase Order number, a description of the Work provided, including reference to the applicable Purchase Order line item and dollar amount in accordance with the Purchase Order line item value(s), any taxes payable by CNL, shown as separate items, and the Contractor's GST Registration Number.
 - (d) All invoices and supporting documentation must be sent via email to payables@cnl.ca as a PDF attachment. All emails must contain the Purchase Order number and invoice number(s) in the subject line of the email, with each attached PDF named by Purchase Order number and invoice number(s). Multiple invoices in one PDF will be accepted provided all the invoices are associated with the same Purchase Order number. PDF's that include invoices belonging to multiple Purchase Order numbers may be returned and not processed for payment. General enquiries regarding invoicing may be sent to payables@cnl.ca or by telephone at 613-584 8276.
 - (e) All Invoices are subject to verification by CNL, and payment of any invoice shall not prejudice CNL's right to dispute such invoice. CNL may withhold payment on disputed invoices on Notice to the Contractor indicating the amount withheld and reason for withholding, and no interest shall be charged on disputed amounts withheld. Any undisputed portion of an invoice shall be paid in accordance with subsection (a) above. The Parties will negotiate in good faith and discuss any disputed amount. The Parties agree that the Contractor may be paid in accordance with any further written agreement between the Parties regarding the amount to be paid in satisfaction of the Contractor's claim.
 - (f) Final payment to the Contractor shall not relieve the Contractor of any of its obligations or liabilities under this Contract.
26. **Termination and Suspension.**
- (a) If either party should be adjudged bankrupt, make a general assignment for the benefit of creditors because of insolvency, or if a receiver is appointed because of their insolvency, the other party may terminate the Contract by Notice to the insolvent party or its receiver or trustee in bankruptcy.
 - (b) If the Contractor defaults or otherwise fails or neglects to pursue the Work diligently, CNL may, at its option, either:
 - (i) Provide Notice to Contractor specifying the default and required remedy for same. If the Contractor fails to remedy the default within ten (10) days or such other period agreed to in writing by CNL, CNL may correct the default and charge the cost of such correction to the Contractor, or terminate the Contract, in whole or in part, by Notice to the Contractor;
 - (ii) Terminate the Contract for default effective immediately by Notice to the Contractor.
 - (c) CNL may also terminate the Contract by Notice to the Contractor at any time, for any reason, for its convenience and without liability or obligation to the Contractor.
 - (d) CNL may suspend performance of the Work by Notice to the Contractor. The Contractor shall promptly resume the Work only on receipt of Notice to resume, to the extent requested in the resumption Notice, and the Schedule and Delivery Date shall be adjusted equal to the suspension period, or as otherwise agreed in writing between the parties. If the suspension period exceeds sixty (60) consecutive days, not due to any act or default of the Contractor, the Contractor may terminate the Contract and shall be paid as if the Contract was terminated for convenience by CNL.
 - (e) On termination or suspension of the Contract for any reason, the Contractor shall immediately cease performing the Work and incurring additional expenses in connection with the Work. On termination the Contractor shall also promptly return to CNL all CNL property which had been entrusted to it.
 - (f) CNL shall be entitled on termination to take possession of the Work completed to date and finish the Work by whatever method CNL may consider expedient. The Contractor shall provide at Contractor's cost any equipment or Materials already procured for the Work and required by CNL to complete the Work.
 - (g) On termination for default, CNL shall pay for the portion of the Work performed by the Contractor proportionate to the benefit accruing to CNL in such part performance, less the cost to CNL in curing any defects in such Work, and any other costs to complete the Work in excess of the contract price.
 - (h) On termination for convenience, CNL shall pay for the Work performed up to the date of termination, together with any reasonable and verifiable demobilization costs, non-cancellable materials costs and for such other reasonable additional costs (if any) incurred by the Contractor as a result of such termination.
 - (i) Where CNL has pre-paid for Work not completed at termination, the Contractor shall refund to CNL all unearned amounts hereunder, in addition to such costs chargeable to the Contractor hereunder for CNL to remedy the Work.
 - (j) Except as expressly provided herein, CNL shall not be liable to the Contractor for any other costs or damages whatsoever arising from suspension or termination of the Contract.
27. **Force Majeure.** Neither Party shall be deemed to be in breach of this Contract where its failure to perform or delay in performing any obligation is due wholly or in part to a cause beyond its reasonable control including, but not limited to, an act of God, an act of any national, civil or military authority, governmental priorities, civil commotion, war, strikes, lockouts, and other labour disputes, fires, floods, sabotage, earthquake, storm, or epidemic ("**Event of Force Majeure**"). The affected Party shall Notify the other of any Event of Force Majeure impacting Contract performance as soon as is practicable, and such Notice shall set out the anticipated performance impact including any schedule delays. The time for performing shall be extended for a period equal to the duration of the Event of Force Majeure, or as otherwise agreed in writing between the Parties. When the performance of an obligation is delayed by at least thirty (30) days and the Parties have not agreed upon a revised basis for performing the obligation, including adjustment of payments, then either Party may terminate this Contract. In such case where one Party to this Contract has obtained a valuable benefit by reason of the performance by the other Party of any or all of its obligations under this Contract, the other Party shall be entitled to recover, if it has not already done so, an amount equivalent to the value of the benefit so obtained.
28. **Severability.** If any term, condition or provision of this Contract is determined to be illegal, void or unenforceable, that provision will be severed

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from this Contract to the minimum extent required and the remaining provisions will continue in full force and effect.

29. **Non-Waiver.** Failure or delay by either Party to exercise any of its rights, powers or remedies hereunder does not constitute a waiver of those rights, powers, or remedies. The single or partial exercise of a right, power, or remedy does not prevent its subsequent exercise or the exercise of any other right, power or remedy.

30. **Survival.** Except as otherwise provided in the Contract, termination of this Contract shall be without prejudice to, and shall not affect the representations, warranties, and indemnities of the Contractor under this Contract. Any provision of this Contract which expressly or by implication from its nature is intended to survive the termination or completion of the Contract, will continue in full force and effect after any termination, expiry, or completion of this Contract.

31. **Audit.** The Contractor will maintain and retain for the longer of two (2) years after the supply of any Work under this Contract or until the final resolution of any outstanding dispute between CNL and the Contractor, all internal books and records pertaining to the Work in sufficient detail and condition to permit inspection, review, and/or audit of such books and records by CNL, or either of their authorized representatives, including Atomic Energy of Canada Limited ("AECL"). CNL, AECL, and each of their authorized representatives shall have the right to conduct such inspection, review, and/or audit of such books and records upon five (5) days' Notice to the Contractor.

32. **Interpretation.** The headings used in this Contract, and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions, do not

affect its interpretation. Unless the context requires otherwise, words importing the singular number include the plural and vice versa, and words importing gender include all genders. References in this Contract to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Contract. Where this Contract uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."

33. **Governing Law and Attornment.** This Contract is exclusively governed by, and will be construed in accordance with, the laws of the Province of Ontario and the laws of Canada, applicable therein, and shall be treated in all respects as an Ontario contract. Conflict of laws, principles, or rules that would impose the laws of any jurisdiction other than the laws of Ontario, or Canada where applicable, on the construction of this Contract shall be excluded. The Parties attorn to the exclusive jurisdiction of the Ontario courts with respect to any matter arising under the Contract.

34. **Entire Agreement.** The Contract forms the entire agreement of the Parties in respect of the Work. CNL shall not be bound by any terms proposed in the Contractor's proposal, invoice, or other form of document which add to, vary from, or conflict with these Terms. Amendments, additions and clarifications to the Terms, where negotiated between the Parties, shall only be effective where issued on the CNL Amendments and Clarifications form and signed by the Parties.