



CNL STANDARD TERMS & CONDITIONS FOR THE SUPPLY OF MATERIALS (Rev. 0)

UNRESTRICTED

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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 service 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 of precedence in which they are listed above. Inclusion of a Contractor proposal in the Contract is limited to incorporating the descriptions and specifications contained therein and only to the extent they do not conflict with the prior descriptions and specifications set out in the Contract. The Contractor shall be deemed to have accepted this Contract by commencing performance of the Contract, in whole or in part, or by communicating its acceptance of same to CNL.
 - 1) **Materials Specifications.** Items being purchased, including small equipment, raw materials, component parts, packaging and labelling materials, and any/all other materials (“**Materials**”), must be delivered strictly in accordance with the Contract and with the quantities, requirements, attributes, and specifications for the Materials set out in the applicable Purchase Order (the “**Specifications**”). Specifications also include documentation published by the Contractor relating to the Materials, operational and technical features and functionality of the Materials, and CNL business requirements as expressly set out in a Purchase Order. All Materials shall be new unless otherwise specified in the Contract.
 - 2) **Standards of Performance:** In carrying out its obligations under the Contract, the Contractor shall, at all times, work in a safe and professional manner, and in compliance with all applicable laws, orders, regulations, ordinances, standards, codes, guidelines and other rules of all lawful authorities and applicable regulatory bodies (“**Applicable Law**”), and shall comply with all CNL policies and guidelines, including CNL’s Supplier Code of Conduct available at http://www.cnl.ca/en/home/vendor_portal/references.aspx (the “**Vendor Portal**”).
 - 3) **Permits and Licensing.** The Contractor shall obtain all applicable permits, licences, exemptions, consents, and approvals required for the Contractor to manufacture and deliver the Materials.
 - 4) **Safety Notices**
 - a) 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:
 - i) communicate the safety notification to the CNL contact listed on the face of the Purchase Order by email, fax, or mail;
 - ii) follow any regulatory protocols and requirements; and
 - iii) take all steps necessary to remedy the situation.
 - b) 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 defect or malfunction at its earliest possible opportunity after the Contractor becomes aware of it.
 - 5) **Environmental Health and Safety.** The Contractor will ensure that Materials provided will meet all environmental obligations as specified in the Contract and will include products, materials, and processes that contribute to the minimization of waste and toxic or harmful substances and emissions to the environment.
 - 6) **Packaging and Standards.**
 - a) To the greatest extent possible, non-combustible packaging materials shall be used for the shipment of Materials in place of wood or cardboard crates, boxes, and pallets. All wood packaging materials used in shipping must conform to the international and Canadian standards and requirements for wood packaging material.
 - b) Materials that are considered electrical equipment must meet applicable CSA / ANSI standards, comply with all requirements in the applicable federal and provincial electrical codes and regulations, and be labelled according to the applicable provincial rules.
 - c) Safety Data Sheets or information sheets regulated under W.H.M.I.S. must be made available and must accompany the Materials when shipped and delivered.
 - d) If the Materials are pressure vessels, a certificate of inspection must be included with the shipment, and upon re-certification the Contractor must forward a copy of the re-certification to CNL.
 - 7) **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. A copy of any Notice to CNL shall be delivered to the attention of CNL Legal Department, 286 Plant Road, Chalk River, ON. “**Business Day**” means any day other than Saturday, Sunday, or a holiday observed by receiving party or a day on which receiving party’s offices are not open for business, and ends at 5:00 p.m. Eastern Standard Time. If sent by courier or personal delivery, delivery of the Notice shall be effective on the date of receipt (if delivered on a non-Business Day of the recipient, the next Business Day). If sent by email, delivery of the Notice shall be effective on the date sent (if sent on a non-Business Day of the recipient, the next Business Day).
 - 8) **Delivery of Materials.**
 - a) The Contractor shall, at its own expense, pack, load and deliver the Materials to CNL in accordance with the Contract, and on the date (“**Delivery Date**”) and to the place (“**FOB Location**”) specified in the Purchase Order. Unless provided for in the Purchase Order, no charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging, or similar charges.
 - b) Any shipments, packing slips, documentation, etc. received at CNL without a Purchase Order number clearly marked will be returned at the Contractor’s expense.
 - c) Shipments containing Materials ordered under more than one Purchase Order must be packaged separately, be grouped on a Purchase Order basis, and clearly list the corresponding CNL Purchase Order numbers on the outside of each individual package.
 - d) Time is of the essence with respect to delivery of the Materials, and the Contractor must immediately Notify CNL if it is likely unable to meet a Delivery Date.
 - e) By Notice to the Contractor at any time prior to the Delivery Date, CNL may cancel or change a Purchase Order or any portion thereof for any reason unless otherwise noted.
 - f) CNL reserves the right to change the FOB Location at any time prior to actual shipment and the Contract price shall be adjusted in accordance with the actual increase/decrease in delivery costs to the Contractor by virtue of the change.
 - g) For Materials from sources or suppliers outside Canada, the Contractor shall comply with all Canada Border Services Agency requirements, follow all instructions of CNL, and cooperate with CNL’s customs broker as directed by CNL.

- h) Title and risk of loss or damage to the Materials shall be at the risk of the Contractor until delivered to CNL. CNL has no obligation to obtain insurance while Materials are in transit from the Contractor to the FOB Location.
- 9) **Inspection and Acceptance.**
- a) Materials are subject to inspection by CNL within thirty (30) days after receipt at the FOB Location. Upon such inspection, CNL shall either accept the Materials or reject them. CNL shall have the right to reject any Materials found to be in excess of the quantity ordered or are damaged, contain a defect in materials, workmanship, or design, or are not in compliance with the Specifications or any term of this Contract (“**Defective Products**”).
- b) Transfer of title to CNL shall not constitute CNL’s acceptance of the Materials, and CNL’s inspection, testing, acceptance, or use of the Materials hereunder shall not limit or otherwise affect the Contractor’s warranty obligations or any other obligations hereunder.
- c) At CNL’s option, CNL shall be entitled to return Defective Products at Contractor’s expense and risk of loss for either full credit or refund of all amounts paid by CNL to the Contractor for the Defective Products, repair or replacement of Defective Products by Contractor, CNL-obtained repair or replacement from another source at the Contractor’s expense, or exercise of any other rights CNL may have at law or in equity.
- d) Title to Defective Products that are returned to the Contractor shall transfer to the Contractor upon such delivery and such Defective Products shall not be replaced by the Contractor except upon written instructions from CNL.
- e) The Contractor shall not deliver Materials that were previously rejected on grounds of non-compliance with this Contract unless delivery of such Materials is approved in advance by CNL, and is accompanied by a written disclosure of CNL’s prior rejection(s).
- f) If CNL returns Defective Products to the Contractor for repair or replacement, the Contractor shall repair or replace Defective Products within five (5) days of receipt thereof unless otherwise agreed to in writing by both parties. Defective Products returned to CNL after repair or replacement are subject to the same inspection and acceptance provisions of this Contract as Materials originally delivered.
- g) The Contractor shall pay all costs related to repairing or replacing Defective Products including shipping costs to and from the FOB Location. If CNL incurs any such costs directly, CNL may recover such costs from the Contractor or offset such amount against unpaid purchase orders for other Materials or services.
- 10) **Confidentiality.** The Contractor shall keep all information, in whatever form, 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 Consultant with respect to any particular portion of the Confidential Information shall not extend to Confidential Information that was in the public domain at the time it was disclosed or becomes part of the public domain after disclosure, was known to the Consultant at the time of the disclosure or becomes known to the Consultant without breach of this confidentiality obligation, or is rightfully obtained from third parties.
- 11) **Intellectual Property.** To the extent that any Material contains any intellectual property of the Contractor, the Contractor hereby grants to CNL a worldwide, royalty-free, non-exclusive, perpetual license to use, copy, modify, and distribute such intellectual property as part of the Materials. In the event that any Materials provided by the Contractor to CNL are 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, without prejudice to any other right or remedy of CNL, promptly provide CNL with a commercially reasonable alternative, including the procurement for CNL of the right to continue using the Materials in question, the replacement of such Materials with a non-infringing alternative satisfactory to CNL, or the modification of such Materials (without affecting functionality) to render them non-infringing.
- 12) **Limitation of Liability.** In no event will either party be liable to the other party or any other person for any indirect, incidental, consequential, or punitive damages including any lost profits, data, goodwill, or business opportunity for any matter relating to this Contract.
- 13) **Materials Warranties.** The Contractor warrants to CNL that for twelve (12) months from the date CNL paid for the Materials, or such other period as may be set out in the Purchase Order (the “**Materials Warranty Period**”), all Materials provided hereunder shall be of merchantable quality, new (unless otherwise agreed to by CNL), free from defects in design, material, and workmanship, in strict compliance with the Specifications, free from any liens or encumbrances on title whatsoever, in conformance with any samples provided to CNL, and compliant with all applicable federal, provincial, and municipal laws, regulations, standards, and codes. The Contractor will repair or replace any part of the Materials which is or becomes ineffective during the period of twelve (12) months from the date CNL paid for the Materials if the defects occur under proper usage and are due to faulty design, the Contractor’s erroneous usage instructions or erroneous use of information or inadequate or faulty materials or workmanship, or breach of the Contractor’s warranties expressed or implied.
- 14) **Manufacturer Warranties.** 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.
- 15) **Warranty Remedies.** In the event of breach of any of the warranties herein, and without prejudice to any other right or remedy available to CNL, the Contractor will, at CNL’s option and the Contractor’s expense, refund the purchase price for, or correct, repair, or replace the affected Materials within ten (10) days after Notice by CNL to the Contractor of warranty breach. Warranty work may include the Contractor travelling to the FOB Location to perform such warranty servicing. If the Contractor fails to correct, repair, replace, or re-perform the affected Materials, CNL may correct, repair, or replace the Materials with similar materials. CNL will charge the Contractor or CNL may make an equitable adjustment in the price of this Contract, or any other financial obligation of CNL to Contractor, for any related cost incurred by CNL. All associated costs, including costs of re-performance, costs to inspect, at the FOB Location or elsewhere, costs to transport the Materials from CNL to Contractor, and return shipment to CNL, and costs resulting from supply chain interruptions, will be borne by the Contractor. If Materials are corrected or replaced, the warranties herein will continue as to the corrected or replaced Materials for a further Materials Warranty Period commencing on the date of acceptance of the corrected or replaced Materials by CNL.
- 16) **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.
- 17) **Set off and Repayment.** Without limiting any other rights or remedies available to CNL under the Contract, 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.
- 18) **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 Materials to be provided hereunder. In addition, the Contractor will take out and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by CNL from time to time, with CNL and its designates as additional insureds. The Contractor will promptly deliver to CNL, as and when requested, written proof of such insurance. Such insurance will provide that it cannot be cancelled or materially changed so as to affect the coverage provided

under this Contract without the insurer providing at least thirty (30) days prior Notice to CNL.

- 19) **Workers' Compensation.** The Contractor shall be, at all times, registered with the workplace safety and insurance board under the applicable provincial 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.
- 20) **Audit.** The Contractor will maintain and retain for the longer of two (2) years after the delivery of any Materials 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 Materials in sufficient detail and condition to permit inspection, review, and/or audit of such books and records by CNL, AECL, or either of their authorized representatives. CNL, AECL, or either 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.
- 21) **Subcontracting and Assignment.** The Contractor may not assign or subcontract this Contract, in whole or in part, without CNL's prior written consent. The Contractor's permitted assignment or subcontracting of any part or all of this Contract will not release the Contractor of its obligations hereunder. CNL may assign this Contract, in whole or in part, to any Affiliate of CNL without the consent of 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.
- 22) **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.
- 23) **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.
- 24) **Site Requirements.** If the Work is to be performed on CNL property, the Contractor will comply with CNL's Special Conditions for the applicable CNL property is available in the Vendor Portal. The Contractor will at all times follow the instruction and direction of all CNL staff.
- 25) **Pricing.** Prices for the Materials shall be set out in the Purchase Order. The prices in this Contract include all direct, indirect, and incidental charges related to the sale and delivery of the Materials to CNL. Unless otherwise specified in the Purchase Order, payment will be made only 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.
- 26) **Taxes.** Unless otherwise stated in a Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes.
- 27) **Invoicing and Payment.**
- a) The final invoice shall be provided no later than sixty (60) days after receipt of the Materials, or termination of the Contract. Contractor is deemed to have waived all charges and fees not invoiced within such 60 days. All invoices delivered by the Contractor must meet CNL's requirements, and at a minimum provide:
 - i) The applicable Purchase Order number;
 - ii) Description of the item(s) purchased, including reference to the applicable Purchase Order line item and dollar amount in accordance with the Purchase Order line item value(s);
 - iii) any taxes payable by CNL, shown as separate items; and
 - iv) The Contractor's GST Registration Number.
 - b) 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).
- c) Multiple invoices in one PDF will be accepted provided all the invoices are associated with the same Purchase Order number. PDF's received that include invoices belonging to multiple Purchase Order numbers may be returned and not processed for payment.
- d) General enquiries regarding invoicing may be sent to payables@cnl.ca or by telephone at 613-584 8276.
- e) Undisputed invoices will be payable within thirty (30) days following the date of receipt of a complete invoice. Each invoice will be subject to verification by CNL. CNL shall have the right to withhold payments due to the Contractor hereunder and apply same to the payment of any obligations of the Contractor to CNL. Such withholding of disputed amounts shall not be deemed a breach of this Contract nor shall any interest be charged on such amounts.
- f) CNL will provide the Contractor with Notice of any disputed invoice, or portion thereof, which shall indicate the amount withheld and the reason for withholding payment. Any undisputed portion of an invoice shall be paid in accordance with subsection (e) 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. The payment of any invoice shall not prejudice CNL's right to dispute such invoice.
- g) Final payment to the Contractor shall not relieve the Contractor of any of its obligations or liabilities under this Contract.
- 28) **Termination.**
- a) CNL or the Contractor may terminate this Contract upon default of the other party by Notice to the defaulting party. Upon termination of this Contract by CNL due to Contractor's default, CNL may elect to purchase, at Contractor's cost, any Materials Contractor may have purchased to fulfill CNL's order, or exercise any other rights that CNL may have in law or in equity.
 - b) CNL may terminate this Contract at any time, for any reason, upon Notice to the Contractor. Upon termination of this Contract by CNL for reasons other than Contractor's default, CNL's entire liability shall be to purchase the following without duplication: all Materials that had been purchased by the Contractor to fulfill CNL's order as evidenced by reasonable documentation requested by CNL, and all Materials received by CNL that have not been paid for.
- 29) **Force Majeure.** Neither Party shall be deemed to be in breach of this Contract where its failure to perform, or its 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**"). Each of the Parties shall promptly Notify the other of any impacts due to an Event of Force Majeure with an estimate as soon as practicable of the revised timing. The time for performing shall be extended for a period at least equal to the duration of the Event of Force Majeure. When the performance of an obligation is delayed by at least 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.
- 30) **Severability.** If, in any jurisdiction, any provision of this Contract or its application to any party or circumstance is restricted, prohibited or, unenforceable, the provision shall, as to that jurisdiction, be ineffective only to the extent of the restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Contract, affecting the validity or enforceability of such provision in any other jurisdiction, or affecting its application to other parties or circumstances.

- 31) **Non-Waiver.** Failure or delay by either Party to exercise any of its rights, power 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.
- 32) **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.
- 33) **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."
- 34) **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.
- 35) **Entire Agreement.** The Contract forms the entire agreement of the Parties in respect of the Services. 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 the Contract terms.