



CNL STANDARD TERMS & CONDITIONS FOR THE PROVISION OF CONSULTING AND PROFESSIONAL SERVICES (Rev. 1)

1. **Formation of Contract and Correspondence between Parties.** The following documents shall form the contract (the “**Contract**”) between Canadian Nuclear Laboratories Ltd. (“**CNL**”) and the counterparty set out on the Purchase Order (the “**Contractor**”, and together with CNL the (“**Parties**”): (1) these terms and conditions (“**Terms**”); (2) the referencing 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. The Contractor accepts the Contract by commencing performance, in whole or in part, or by communicating its acceptance of same to CNL. 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 therein to the extent they do not otherwise conflict with prior Contract documents. Supplementary terms issued by CNL 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. If the Work is to be performed on CNL managed sites (each a “**CNL Site**”), the Contractor will comply with the CNL Site Specific Terms and Conditions for the applicable CNL Site, available on the Vendor Portal or otherwise provided to the Contractor. Any notices, consents, approvals or other communications required under this Contract (“**Notice**”) shall be in writing and delivered to the other Party at the address set out on the Purchase Order to the attention of the named representative in the Purchase Order (the “**Representative**”). Delivery may be by courier, email, or personal delivery. Delivery of the Notice shall be effective on the Business Day delivered, where “**Business Day**” means 9 am to 5 pm ET any day Monday to Friday on which banks are generally open for non-automated business in the City of Ottawa, Ontario, Canada.
2. **Performance.** The Contractor agrees to provide those materials (“**Materials**”) and/or supply those services (“**Services**”) including any deliverables (“**Deliverables**”), as identified in the Contract or arising as a result of or in relation to provision thereof (collectively the “**Work**”), in accordance with 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.
 - (a) **Standards of Performance.** The Contractor shall provide the Work:
 - (i) 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;
 - (ii) using only personnel with legal authorization to perform Work in Canada where applicable, and with the appropriate licenses, qualifications, skills, training and expertise necessary to carry out the Work consistent with applicable industry standards;
 - (iii) free from defects in workmanship and conforming to the Contract;
 - (iv) in compliance with all laws, orders, regulations, codes, ordinances, standards, guidelines and other rules applicable to the Parties or the Work (“**Applicable Law**”);
 - (v) 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
 - (vi) with all applicable permits, licences, exemptions, consents and approvals required for the Work;(collectively, the “**Standards of Performance**”).
 - (b) **Evaluation and Qualifications.**
 - (i) CNL evaluates Contractor performance using various evaluation methods including a performance scorecard. Contractor participation in performance evaluations is administered through ISNetwork (“**ISN**”), or as otherwise required by CNL. Unless expressly waived by CNL, the Contractor shall be a subscriber to ISN fully compliant with ISN requirements and maintaining a grading of “**C**” or better from ISN before commencing work on a CNL Site. Registration information is available on the Vendor Portal.
 - (ii) CNL may object to any Contractor personnel performing the Work 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. Where the Contractor proposal or Contract identifies key personnel for the Work, the Contractor may not substitute other persons for the Work without CNL approval. Replacement personnel with relevant qualifications and experience as good as or better than the persons replaced and otherwise acceptable to CNL must be provided expeditiously.
3. **Schedule.** The Contractor shall perform the Work in accordance with the time period and in accordance with all specified performance timelines, milestones and delivery dates set out in the Contract (collectively the “**Schedule**”), understanding time is of the essence. Where CNL or other contractors must provide information, input level of staffing and decision-making required in the Specifications in order for the Contractor to perform the Work, the Contractor shall remain obligated to request, document and assist in obtaining such input, including ongoing communication respecting the input, key tasks and timing of same.
4. **Acceptance.**
 - (a) Except as otherwise specified in the Purchase Order, CNL may reject any materially non-conforming Work, 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. Notwithstanding the foregoing, acceptance does not constitute compliance with the Contract.
 - (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 Work for a full and prompt refund by Contractor of any amounts paid by CNL for the Work, or prompt replacement/re-performance of rejected Work; and
 - (ii) termination of the Contract by Notice.
5. **Change.** CNL may make additions, deletions or other revisions changes to the Work, including changes to the Schedule and Specifications, (“**Change(s)**”) by way of a “**Change Order**” or “**Revised Purchase Order**” issued by CNL and agreed to in writing by the Contractor. If CNL requires the Contractor to proceed with Change without delay, CNL may issue a “**Change Directive**” for same. The Contractor shall commence performance of the Change mandated by a Change Directive on a time and material basis and shall keep detailed records which shall form the basis of entitlement to an equitable adjustment to the Contract as subsequently agreed between the Parties and documented in a Change Order or Revised Purchase Order issued by CNL. If CNL and the Contractor cannot agree on an adjustment to the Contract for a Change Directive, the disagreement shall be resolved in accordance with Section 22 Dispute Resolution. Where a Material’s delivery location is specified in the Contract, CNL may unilaterally Change the delivery location by Notice at any time prior to actual shipment, with a corresponding adjustment to the Price (defined in s. 7(a)) in accordance with the actual increase/decrease in delivery costs to the Contractor by virtue of the change.

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- (a) **Intellectual Property.** If the Work requires the creation of intellectual property and proprietary rights, whether registered or unregistered, domestic and foreign, including patent, trademark, copyright or industrial design (the “**Intellectual Property Rights**”), then those Intellectual Property Rights shall vest in and become the property of CNL. Any Intellectual Property Rights which were pre-existing before this Contract, or were created outside of the scope of this Contract, or were involved in the performance of the Work but do not form part of the Deliverables (“**Background IP**”) shall remain with the Contractor. The Contractor grants CNL a non-exclusive, perpetual, royalty-free, irrevocable, transferable licence (with the right to assign and sub-license) to use the Background IP, but only to the extent necessary for CNL to use the Deliverables.
- (b) **Software.** 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**”), the Contractor shall take all necessary steps to assign, transfer or otherwise provide CNL with the necessary licenses to use the Licensed IP included in the Work and 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.
- (c) **Title.** Unless otherwise set out in the Purchase Order, title to all Materials and the interest of the Contractor in all licenses required for or necessary to the Work, shall pass to CNL upon the earlier of delivery, payment or incorporation into the Work, in whole or in part, for such Materials, unless:
- (i) in the case of Materials, CNL indicates that it is satisfied such Materials will not be required for the Work, or they are rejected in accordance with Section 4; and
 - (ii) in the case of licenses, CNL indicates that it is satisfied that the interest vested in CNL therein is no longer required for the purposes of the Work.

7. Payment and Pricing.

- (a) 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 (the “**Price(s)**”). Unless otherwise specified in the Purchase Order, the Price is exclusive of Canadian taxes and will be in Canadian funds. Price increases or charges not expressly set out in the Purchase Order shall not be effective without CNL consent. If expressly permitted in the Purchase Order, the Contractor may claim reasonable and permitted travel and incidental expenses in accordance with the current version of the Expense Reimbursement Guidelines for Contractors found on the Vendor Portal.
- (b) The Contractor shall submit invoices and supporting documentation for the Work in accordance with the Contract and any payment schedule therein. Undisputed invoices shall be payable within forty-five (45) days of receipt, or such other period set out in the Purchase Order.
- (c) 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.
- (d) All invoices must meet CNL’s requirements, and at a minimum provide the Purchase Order number, a description of the Work provided, 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 HST or other tax registration number.
- (e) 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.

- (f) 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 Invoice.
- (g) Payment to the Contractor shall not relieve the Contractor of any of its obligations or liabilities under this Contract.
- (h) CNL has the right to set-off against the balance due under the Contract any reasonable and substantiated amounts owed to CNL by the Contractor.
8. **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 is or becomes publicly available through no fault of the Contractor, was known previously, known/disclosed to the Contractor on a non-confidential basis or is rightfully obtained from third parties. If the Contractor is legally compelled to disclose any Confidential Information, the Contractor must immediately notify CNL of the compelled disclosure, ensuring CNL has not less than ten (10) days to respond and providing CNL with such other assistance as may reasonably be required so that CNL may seek an appropriate remedy or waive compliance with this provision.
9. **Warranty.** 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, 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 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 them non-infringing.
10. **Limitation of Liability.** Neither Party shall be liable to the other Party for any indirect, incidental, exemplary, special, punitive or 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.
11. **Termination and Suspension.**
- (a) **Termination.** Without prejudice to any other right or remedy the non-defaulting Party may have hereunder:
- (i) 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 immediately terminate the Contract by Notice (any Notice to terminate the Contract being a “**Termination Notice**”) to the insolvent Party or its receiver or trustee in bankruptcy.
 - (ii) If the Contractor defaults or otherwise fails or neglects to pursue the Work diligently, CNL may provide Notice to the Contractor specifying the default and requiring the Contractor to remedy same (“**Default Notice**”). If the Contractor does not commence remedying the default within five (5) days following receipt of the Default Notice (or such other period approved by CNL) and remedy the default within ten (10) days following the receipt of the Default

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- Notice (or such other period approved by CNL) then CNL may: i) correct the default and charge the cost of such correction to the Contractor and/or ii) terminate the Contract, in whole or in part, by issuing a Termination Notice to the Contractor. Where required by CNL to complete the Work, the Contractor shall provide to CNL any equipment owned/rented by the Contractor and/or Materials already procured for the Work at the Contractor's actual cost without markup or profit. 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 Price.
- (iii) Notwithstanding anything in this Contract, CNL may terminate the Contract or any part of the provision of the Work, for convenience, at any time prior to completion of the Work, by issuing a Termination Notice providing notice of the termination date and the portion of the Work, if any, the Contractor is required to complete before the termination date. In such event, Contractor shall make reasonable efforts to mitigate all costs associated with such termination. 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. CNL shall not be liable to the Contractor for any other costs or damages whatsoever arising from such termination of the Contract including consequential damages.
- (iv) Upon receipt of a Termination Notice, the Contractor shall stop performing the Work on the date set out in the Termination Notice and shall immediately cease incurring additional expenses in connection with the Work unless otherwise agreed to in writing by CNL. The Contractor shall promptly provide to CNL all Deliverables and work in progress resulting from the Work together with any other documentation or information necessary for CNL to complete, or have completed, the Work. CNL shall be entitled to take possession of the Work completed to date and finish the Work by whatever method CNL may consider expedient. Where CNL has pre-paid for Work not completed at termination, the Contractor shall refund to CNL all unearned amounts hereunder.
- (v) On termination, the Contractor shall also promptly return to CNL all CNL property entrusted to it, including but not limited to trade secrets of CNL, keys, instruments, computers, files, client lists, documents, computer printouts, software, records, drawings, materials, papers, electronic information, etc.
- (b) **Suspension.**
- (i) CNL may suspend the Work, in whole or in part, 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.
- (ii) 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. The total payment to the Contractor with respect to this section taken together with any other payment shall under no circumstances exceed the Contract Price.
12. **Cumulative Remedies.** The rights and remedies of CNL under this Contract are cumulative, in addition to, and not a limit on or substitution for any rights or remedies that may be available to CNL in law, equity, the Contract or otherwise.
13. **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 performing the Work, at a minimum, Commercial General Liability insurance of \$5 Million (with CNL and its designates as additional insureds with respect to insurance coverages related to the Work), and Automobile Liability insurance of \$2 Million, if Contractor automobiles are to be used for the Work on CNL sites, unless otherwise stated in the Purchase Order. The Contractor will promptly deliver to CNL, as and when requested, written proof of such insurance. Such insurance may not be cancelled or materially changed so as to affect the coverage provided under the Contract without providing at least thirty (30) days' prior Notice to CNL. 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.
14. **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 books and records of the Contractor pertaining to the Work, including any details of its safety program, worker training program and work inspection and testing, if any, 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.
15. **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.
16. **Independent Contractors.** The Contractor is, and shall remain at all times, an independent Contractor in connection with the Contract and the Contractor is not, and shall not represent the Contractor to be, an agent, joint-venturer, partner, employee or representative of CNL.
17. **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.
18. **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 ("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 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.
19. **Privacy.** The Contractor shall comply with the requirements of the *Privacy Act*, as if the Act applied to the Contractor.

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20. **Severability.** If any term, condition or provision of this Contract is determined to be illegal, void or unenforceable, that provision will be severed from this Contract to the minimum extent required and the remaining provisions will continue in full force and effect.
21. **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.
22. **Dispute Resolution.** If any dispute arises under the Contract, either Party may deliver to the other Party a Notice of dispute and the receiving Party shall deliver a reply within ten (10) days, each stating its position and supporting arguments. Within fourteen (14) days, senior officers of each Party, having full authority to settle the dispute, shall meet and make all reasonable bona fide efforts to resolve the dispute, which discussions shall be conducted on a "without prejudice" basis. Notwithstanding any dispute, each of the Parties shall continue to perform its respective obligations under the Contract (without prejudice to CNL's right to withhold payment on disputed invoices under Section 7).
23. **Survival.** All provisions of this Contract, which are by their nature intended to survive the expiration or termination of this Contract, will survive such expiration or termination, including those relating to performance standards, warranty, confidentiality, limitation of liability, audit and dispute resolution.
24. **Interpretation.** The headings used in the Contract and its division into sections, schedules and other subdivisions do not affect its interpretation. Where the Contract uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."
25. **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. 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 agree to the exclusive jurisdiction of Ontario courts in all matters arising under this Contract.
26. **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.