

1. **AGREEMENT:** This Purchase Order ("Purchase Order"), the following terms and conditions ("Terms and Conditions") and any specification referred to in the Purchase Order ("Specifications") constitutes the entire agreement ("Agreement") between North Atlantic and the Vendor ("Vendor") described in the Purchase Order for the supply of the Goods and/or Services described in the Purchase Order and Specifications (the "Goods" and "Services" and collectively the "Goods and Services"). Amendments or revisions to the Agreement may only be made by an authorized representative of North Atlantic. No amendment shall be binding unless agreed in writing and incorporated by reference into the Agreement. This Agreement may not be assigned by the Vendor.
2. **TITLE:** The Vendor warrants to North Atlantic that it has clear title to the Goods described in the Purchase Order and Specifications, free of any encumbrances or liens, and that the Services may be performed as represented without limitation. The Vendor warrants that the supply of the Goods and performance of the Services will not infringe on any patent or proprietary rights. The Vendor will indemnify and hold North Atlantic harmless against any claims or demands in relation to the Goods or Services, including for patent infringement and for royalties. The Vendor will advise North Atlantic without delay of any such claims and ensure North Atlantic is informed of all material events in relation to the claims.
3. **GOODS AND SERVICES:** North Atlantic may return at the Vendor's expense any Goods not in compliance with the Specifications or the Purchase Order, defective or otherwise not acceptable to North Atlantic acting reasonably. The Vendor shall not charge for, or will re-perform at no charge to North Atlantic, the Services not in compliance with the Specifications or the Purchase Order, defective or otherwise not acceptable to North Atlantic acting reasonably, upon North Atlantic's request. There shall be no substitution of Goods or Services without North Atlantic's written consent.
4. **ACCEPTANCE:** North Atlantic will be provided with a reasonable period of time to inspect the Goods and Services prior to being deemed to have accepted the same. North Atlantic shall not be obliged to inspect any of the Goods or Services until the Vendor has fully complied with the terms of this Agreement.
5. **PURCHASE PRICE:** The purchase price in the Purchase Order shall, unless otherwise indicated in writing, be inclusive of all taxes, surcharges and duties payable in relation to the Goods and Services, other than HST. The Vendor shall be solely responsible for all freight, shipping and packing costs, unless otherwise specified.
6. **WARRANTY:** The Vendor warrants that the Goods and Services shall be free from defects and deficiencies and shall conform to the terms of the Purchase Order and Specifications. The Vendor will immediately correct any non-conformance at its expense. The Vendor further warrants to North Atlantic and to any third party ultimately using any item whether such third party is a customer of North Atlantic or not:
 - (i) If the Vendor is responsible for the design of the Goods or Services, all items delivered under this Agreement will be suitable for use by North Atlantic, including installation by North Atlantic in its ultimate products. North Atlantic's written approval of designs furnished by Vendor shall not relieve Vendor of its obligations under this warranty.
 - (ii) The Vendor shall be liable for all damages both to North Atlantic and its customers incurred as a result of any defect or breach of warranty in any item covered by this Agreement.
 - (iii) The foregoing express warranties shall be in addition to any warranty customarily made by Vendor of its product and any implied warranties and shall be construed as conditions as well as warranties.
 - (iv) The Vendor's warranty shall extend for a period of 12 months after the item is delivered and accepted by North Atlantic and applied to its intended use. Where North Atlantic incorporates that item into a product of North Atlantic to be delivered to its customer, Vendor's obligation under this clause shall be for the benefit of North Atlantic's customer and shall extend to one year after application of the item to its intended use.
 - (v) The warranties represented and covenants of parties hereto shall survive the delivery of the Goods or performance of the Services and be fully enforceable thereafter. The Vendor's warranty hereunder is part consideration for this Purchase Order; any payment by North Atlantic hereunder is conditional upon this warranty remaining in effect; and no modification or other change of this warranty shall be valid unless made in writing by North Atlantic.
7. **QUALITY STANDARDS:** If a special brand or quality specified is listed in this Purchase Order, the Goods being purchased must meet the standard for quality, performance, and use of such brand or quality specified. If Vendor is willing to supply a product equivalent to the designated special brand or specification, it must first provide North Atlantic with descriptive literature identifying its brand, including the quality, performance, and specifications thereof. If North Atlantic elects to accept Goods purported to be equal to the special brand or specification, the Goods may be rejected and dealt with as provided in the Terms and Conditions if performance is determined to be non-conforming.
8. **INDEMNIFICATION:** The Vendor agrees to indemnify and save harmless North Atlantic and its successors and assigns from and against any and all damages, losses, expenses, causes of actions, claims at law or at equity and liabilities of every kind and nature including without limitation reasonable legal fees (collectively, "Claims"), howsoever caused, without waiver of Vendor's obligations or warranties hereunder, arising out of:
 - (a) any act or omission of the Vendor, its officers, servants, agents, employees, subcontractors, licensees or guests in the furnishing of the Goods and Services; and
 - (b) without limiting the generality of the foregoing, any other acts or omissions of Vendor, its officers, servants, agents, employees, subcontractors, licensees or guests, in respect of which a Claim is made by a person who purchases from North Atlantic or uses product purchased from Vendor.
9. **INSURANCE:** The Vendor shall maintain sufficient third party liability insurance in relation to risk of loss or injury to persons or property, collision and automobile liability insurance, and all risks property insurance, as reasonably required by a prudent vendor in relation to the supply of Goods and Services, providing that all such policies of insurance shall contain a waiver of subrogation against North Atlantic, its employees, contractors, and affiliated persons.
10. **WORKERS' COMPENSATION:** If the Vendor visits or is required to come on North Atlantic's site, the Vendor warrants that all employees, contractors, subcontractors and other persons performing Services under this Agreement are registered and in good standing with the Workplace Health, Safety and Compensation Commission of Newfoundland and Labrador and the Vendor shall on request furnish proof of such registration and good standing to North Atlantic.
11. **PRECEDENCE:** In the event of conflict or inconsistency within this Agreement, precedence shall be accorded to the Purchase Order, Terms and Conditions, and Specifications in descending order. In the event of conflict or inconsistency within these Terms and Conditions, the "Additional Terms" below shall be given precedence over the remaining Terms and Conditions.

12. **TERMINATION FOR DEFAULT:** North Atlantic may terminate this Agreement if the Vendor:
- (a) Fails to supply the Goods or perform the Services within the time specified in the Agreement or any extension thereof;
 - (b) Fails, in North Atlantic's good faith judgment, to perform any of the other provisions of this Agreement or to make progress as to endanger performance of this Agreement in accordance with its terms and does not cure such failure within a period of ten days, or such longer period as North Atlantic may authorize, in writing, after receipt of notice from North Atlantic specifying such failure;
 - (c) Is in breach of any of the Terms or Conditions of this Agreement; or
 - (d) Becomes insolvent or makes an assignment for the benefit of creditors, or if there shall be instituted by or against Vendor any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt or insolvency law of any jurisdiction or for the appointment of a receiver or trustee in respect to any of Vendor's property and such proceeding is not dismissed or cured within 60 days.
13. **REMEDIES:**
- (a) If North Atlantic cancels this Purchase Order in whole or in part as provided in these Terms and Conditions, North Atlantic may procure upon such terms and in such manner as North Atlantic may deem appropriate Goods or Services similar to those cancelled and the Vendor shall be liable to North Atlantic for any excess costs for such similar Goods and Services, provided that Vendor shall continue the performance of this Purchase Order to the extent not cancelled under the provisions of this Purchase Order;
 - (b) The rights and remedies of North Atlantic provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement;
 - (c) The failure of North Atlantic to insist upon strict performances of any of the terms of this Agreement or to exercise any rights hereunder shall not be construed as a waiver of North Atlantic's rights;
 - (d) The Vendor may be excused from performance under this Purchase Order provided the Vendor notifies North Atlantic within ten days of discovery of any of the below-named events:
 - (i) Acts of God, or public enemy, acts of North Atlantic, acts of the government with lawful jurisdiction over Vendor in either its sovereign or contractual capacity, and other events amounting to force majeure;
 - (ii) the Vendor's failure to perform is caused by default of a supplier or sub-contractor, provided such default arises out of causes beyond the control of both the Vendor and the supplier or sub-contractor and without the fault or negligence of either of them, and the Vendor makes a concerted effort to obtain supplies or services from other sources in time to meet required delivery schedule(s).
14. **LAW OF THE AGREEMENT:** This Agreement shall be construed under and governed by the laws of the Province of Newfoundland and Labrador.
15. **ADDITIONAL TERMS:** This Agreement is subject to the following additional terms.
- (a) **Identification:** All invoices, packages, shipping notices, instruction manuals, material safety data sheet (MSDS) and other written documents shall contain the applicable Purchase Order number. Packing lists shall be enclosed in each box or package shipped pursuant to this Purchase Order, indicating the contents therein. Invoices will not be processed for payment until all items invoiced are received.
 - (b) **Shipping Instructions:** All Goods are to be shipped freight prepaid, free-on-board ("FOB") destination, unless otherwise stated. Where North Atlantic has so authorized in writing, Goods may be shipped FOB shipping point, but Vendor shall prepay all shipping charges, route the Goods by the cheapest common carrier, or the carrier specified, and list said charges as a separate item on Vendor's invoice. Each invoice for shipping charges shall be accompanied by the original or a copy of the bill indicating that such charges have been paid. North Atlantic reserves the right to reject cash-on-delivery ("COD") shipments. Vendor shall not insure the Goods for North Atlantic's account during shipment except upon North Atlantic's written request, or where the shipping mode is parcel post.
 - (c) **Special Charges:** Vendor shall be responsible for the payment of all charges of handling, packaging, wrapping, bags, containers and related matters unless North Atlantic has assumed an express obligation therefore by notation on the reverse side hereof.
 - (d) **Delivery:** Time is of the essence, and this Purchase Order may be terminated if delivery is not made or Services are not performed by the date specified in this Agreement. No change in the scheduled delivery date or performance will be permitted without North Atlantic's prior written consent. No acceptance of Goods or Services after the scheduled delivery date will waive North Atlantic's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof.
 - (e) **Payment:** North Atlantic will remit payment to Vendor by mail. Vendor agrees not to deliver Goods on a sight draft or COD basis.
 - (f) **Prices:** Unless otherwise set out in this Purchase Order, the price stated in the Purchase Order is fixed, in Canadian Dollars, and not subject to increase due to any cause, including increases in the cost of materials, labour and shipping to the Vendor. If price is not stated on this Purchase Order, it is agreed that the Goods or Services shall be billed at the price last quoted, or paid by a customer or Vendor, or the prevailing market price, whichever is lower.
 - (g) **Cash Discount:** If North Atlantic is entitled to a cash discount, the period of computation thereof will commence on the date of acceptance or receipt of a correctly completed invoice, whichever is later. If any adjustment in payment is necessary due to damage, the cash discount period shall commence on the date on which an agreed adjustment of price is reached. If a cash discount is made part of the contract, but the invoice does not reflect the existence thereof, North Atlantic is entitled to a cash discount with the period commencing on the date North Atlantic determines that a cash discount applies.
 - (h) **Taxes:** The Vendor shall pay all taxes that may arise out of its sale of the Goods and Services to North Atlantic. North Atlantic agrees to pay HST.
 - (i) **Risk of Loss:** The Vendor agrees to bear all risk of loss, injury, or destruction of Goods and materials ordered herein which occur prior to acceptance by North Atlantic. No such loss, injury, or destruction shall release Vendor from any obligations hereunder. The Vendor shall procure and maintain at its expense such insurance as would be obtained by a prudent vendor providing comparable goods and services and shall remain liable to North Atlantic for all risk of loss, notwithstanding the limits, adequacy or coverage of any such insurance.
 - (j) **Compliance with Laws:** The Vendor shall comply with the conditions of all applicable federal and provincial laws, and indemnify and hold harmless North Atlantic in relation to any breach of the same.

- (k) **Installation:** In the event this Purchase Order requires the performance of Services or installation of the Goods by the Vendor upon any property or project of North Atlantic, the following conditions shall also be applicable:
- (i) The Vendor shall take precautions to protect all property and persons from damage or injury arising out of its work and shall comply with all fire, safety and other applicable regulations prescribed by any governmental agency and by North Atlantic and / or owner of the project upon which work is being performed, and shall be responsible for the observance thereof by all sub-contractors, employees, agents and representatives of Vendor and its sub-contractors. The Vendor shall also obtain at its own expense and provide North Atlantic with proof of insurance coverage satisfactory to North Atlantic for Workplace Health, Safety and Compensation, property damage, public liability, personal injury, employers' liability and other applicable insurance.
 - (ii) The Vendor shall attend North Atlantic's Safety Orientation (approximately four hours) prior to performing work on North Atlantic's Site.
 - (iii) The Vendor shall keep the premises and work free and clear of all mechanics' liens or claims; The Vendor shall promptly pay for all labour and material and if the Vendor fails to do so, North Atlantic, without waiving any rights or remedies against the Vendor for or by reason of such failure may, but without any obligation to do so, pay the same and deduct the amount of such payments from sums due to the Vendor hereunder; and North Atlantic may withhold any payment to the Vendor until receiving such affidavits, waivers, and releases with respect to claims for labour and materials as North Atlantic may require.
 - (iv) The work shall remain at the Vendor's risk prior to written acceptance by North Atlantic and/or the owner of the project and Vendor shall replace at its own expense all work damaged or destroyed by any cause whatsoever.
 - (v) The Vendor shall observe and comply with, to the extent required by North Atlantic, the wages, hours and working conditions established by North Atlantic on the project or required of North Atlantic by an applicable labour agreement.
 - (vi) The Vendor shall act as an independent contractor and not as the agent or representative of North Atlantic.
 - (vii) The Vendor shall perform its work in accordance with the schedules and work programs established by North Atlantic and shall fully cooperate with North Atlantic and others engaged in work on the project or in the vicinity of the project so that the work on the entire project may be performed with the utmost speed, consistent with good practices. In case of conflict, North Atlantic may direct the necessary coordination.
 - (viii) The Vendor shall perform the work so that the premises shall at all times be clean, orderly and free from debris and upon completion shall remove all refuse and debris and leave the site of the work clean, orderly and in good condition.
 - (ix) The Vendor shall require Vendor's employees, agents, contractors or sub-contractors to abide by North Atlantic's Work and Safety rules when work or services are performed at North Atlantic's premises. North Atlantic has the right to exclude personnel from North Atlantic's premises who do not abide by such rules, and at North Atlantic's election to declare a default under the Purchase Order.
 - (x) The Vendor is solely liable for its employees, agents, contractors or sub-contractors and their action while on North Atlantic's premises and the Vendor indemnifies and will protect North Atlantic from losses, claims, expenses, damages arising from or out of the presence or activities of Vendor's employees while at North Atlantic's premises.
- (l) **Advertising:** No advertising or publicity matter having or containing any reference to North Atlantic or any of its staff members shall be made by the Vendor or anyone in Vendor's behalf unless Vendor has written consent of North Atlantic.
- (m) **Disclosure of Information:** All data and information not already in the public domain, developed or disclosed during the life of this Purchase Order, will be the property of North Atlantic and will be classified in secrecy and confidence by the Vendor. The Vendor will keep confidential all such data and information until it comes into the public domain or until North Atlantic's Purchasing Agent consents in writing to disclosure.
- (n) **Legal Fees:** In any suit or action brought to enforce any term, condition, or covenant herein, or to recover damages arising from any breach of this Agreement, the losing party shall pay to the prevailing party reasonable legal fees and all other costs and expenses which may be incurred by the prevailing party in any such suit or action and in any reviews thereof and appeals therefrom.