

Terms and Conditions For Good and Services

DEFINITIONS

The following capitalized terms used in this Purchase Order have the meanings ascribed to them below:

Amendment/Change Order is a document used to modify an existing Purchase Order. The Amendment/Change Order specifies the changes made to the original purchase agreement and includes the original Purchase Order number, the Amendment/Change Order number, and the date of the change.

Completion Date means the date on which the Services are complete in accordance with this Purchase Order.

Contract is an undertaking by two or more parties to perform their respective duties, responsibilities and obligations as prescribed in the Contract Documents and represents the entire agreement between the parties. Such Contract takes precedence over any other verbal or written agreements to perform a given service or deliver a defined good.

Delivery Point means the place for delivery specified in this Purchase Order as the "Ship To" location and, if not specified in the Purchase Order

Delivery Date means the date, or dates, upon which the Goods are delivered to the Delivery Point.

Goods means all goods, materials and equipment that are to be provided by the Supplier

GST means the Goods and Services Tax as may be applicable from time to time.

Purchase Order means collectively, the face page of the Purchase Order, the Purchase Order Terms and Conditions and includes all descriptions of the scope of work, specifications and drawings attached to or referenced in those documents, as may be amended from time to time

Scheduled Completion Date means the date specified for the completion of the Services in the Purchase Order and, if not specified in the Purchase Order, means a reasonable time, in accordance with industry practice

Scheduled Delivery Date means the date, or dates, specified for the delivery of the Goods in the Purchase Order and, if not specified in the Purchase Order, means a reasonable time, in accordance with industry practice

Services means, if applicable, the activities that are to be performed by the Supplier

Supplier means the party identified as the provider of goods or services in the Purchase Order.

WCB means the Alberta Workers' Compensation Board.

Owner means Fort McKay Alcor

SUPPLIER'S OBLIGATIONS

- 1.0 The Supplier shall provide all Goods and Services in strict compliance with this Purchase Order and all applicable law.
- 1.1 If a particular purpose for or use of the Goods is specified in this Purchase Order, the Supplier represents that the Goods will, on the Delivery Date, be fit for that purpose or use.
- 1.2 The Supplier warrants that:
 - 1.2.1 the Goods and Services will conform with all requirements of this Purchase Order and the law;
 - 1.2.2 the Goods will be merchantable, of good quality and free from defects in material and workmanship; and the Services will be performed in a good and workmanlike manner.
- 1.3 In the event that the Owner determines that the quality of the Goods is deficient, the Owner may, upon notice to the Supplier, cancel this Purchase Order by returning the Goods, at the Supplier's expense
- 1.4 The Supplier warrants that the shipping and handling of controlled products or hazardous materials will be made in accordance with the applicable laws in force at the time of shipment.

SCHEDULED DELIVERY DATE, SCHEDULED COMPLETION DATE AND METHOD OF SHIPMENT

- 2.0 If the Scheduled Delivery Date or Scheduled Completion Date, or both, is specified, delivery of the Goods by the Scheduled Delivery Date or completion of the Services by the Completion Date, or both, is critical to the Owner.
- 2.1 Failure on the part of the Supplier to deliver the Goods by the Scheduled Delivery Date or complete the Services by the Scheduled Completion Date, or both, will entitle the Owner to do one or both of the following:
 - 2.1.1 cancel this Purchase Order; or

- 2.1.2 obtain the Goods or Services, or both, or part thereof, from another supplier and charge the Supplier with all incremental costs incurred by the Owner to obtain such Goods or Services from another supplier, together with any applicable delay damages.
- 2.2 Shipments must be made according to the shipping instructions in this Purchase Order and to the Delivery Point. The risk and cost of shipment shall be in accordance with INCOTERM 2010
- 2.3 All packing cases, bales, cartons and other containers in which the Goods may be shipped shall become, without charge, the Owner's property upon acceptance, unless otherwise stipulated in this Purchase Order.
- 2.4 No charges for packaging will be allowed, unless specified in this Purchase Order.

ACCEPTANCE

- 3.0 Until acceptance by the Owner of any Goods or Services, such Goods or Services shall be at the risk of the Supplier.
- 3.1 The Owner shall not be deemed to have accepted the Goods or Services until the Owner actually receives, inspects and accepts the Goods or Services.

CHANGES

- 4.0 The Owner shall be entitled to make changes to this Purchase Order, the Goods, the Services, the Delivery Point, the Scheduled Delivery Date and the Scheduled Completion Date where agreed to in writing with the Supplier. Changes to purchase orders will only be effective when authorized by a signed Change Order issued by the Owner

RETURN OF GOODS

- 5.0 The Owner shall be entitled to return any Goods not required by the Owner to the Supplier so long as those Goods are in saleable condition within 90 days of the date on the Purchase Order document.
- 5.1 Returns will be valued at the same cost of purchase and any associated freight costs will be at the expense of the Owner.

PRICING

- 6.0 The Supplier accepts the "Price" on the face of this Purchase Order as the final price for this purchase. Any variance from this price must be negotiated and approved by a Change Order issued by the Owner.
- 6.1 Unless otherwise stated, all funds are payable in Canadian dollars.

PAYMENT

- 7.0 The Supplier shall only be entitled to invoice for the amount or amounts shown on this Purchase Order and shall not invoice at higher prices.
- 7.1 Payment terms are net 45 days, unless otherwise stated on purchase order, upon receipt of correct invoice to the following email address. The Supplier must submit invoices in relation to this Purchase Order to:

Attn: Accounts Payable
accountspayable@fortmckayalcor.ca
- 7.2 Payment discounts will be calculated from the date the invoice is received or the date the goods or services are received, whichever occurs later.
- 7.3 For the supply of Goods or Services governed by the Builders' Lien Act, a holdback shall be applied in accordance with the requirements of the Builder's Lien Act.
- 7.4 The Owner may set-off any amount owed by the Supplier to the Owner, for any reason, from any amount owing to the Supplier under this Purchase Order, or under any other contract between the Owner and the Supplier. This right is in addition to, and not in substitution for, any other right at law or in equity which the Owner has.
- 7.5 Owner will not accept nor be responsible for payment of charges including but not limited to man-hours, Supplier Equipment, Supplier items, expenses or Subcontractor charges not invoiced within 90 days of occurrence of related work.
- 7.6 Owner will not accept charges that have not been approved by form of a signature.

CUSTOMS AND TAXES

- 8.0 All GST and Canadian customs duty entitlements and tax or custom duty rate decreases and exemptions resulting from amendments, re-classifications, remissions, or clarifications thereof on tax and duty-included goods and materials, whether recognized or not, must be passed on to the Owner, excluding any taxes based upon or determined by reference to the Supplier's income which are the responsibility of the Supplier.
- 8.1 If the Supplier manufactures or purchases any Goods from outside of Canada, the Supplier shall ensure that itself or its agent or representative is the importer of record, unless otherwise expressly stipulated in this Purchase Order.
- 8.2 In compliance with the Income Tax Act (Canada), the Owner is required to withhold 15%, or such other percentage as may be specified by the Canada Revenue Agency, from all the payments made to non-residents for services provided in Canada. Non-residents who provide the Owner with a waiver letter from the Canada Revenue Agency prior to performing the Services will be excluded from the withholding. Annual tax receipts will be issued to non-residents for use as foreign tax credits under their country's income tax provisions.

INDEMNIFICATION

- 9.0** The Supplier shall defend, indemnify and hold harmless the Owner, its officials, officers, employees and agents, from and against all losses or expenses, including legal costs on a solicitor-and-own-client-basis, arising from first party or third party claims, for damages sustained or incurred by the Owner as a result of a breach of any term or condition of this Purchase Order or the Supplier's negligence or any other legal basis under which the Supplier, or any party for which it is legally responsible, may be liable to the Owner arising out of, or in consequence of, the supply of the Goods or the performance of the Services.

SAFETY

- 10.0** The Supplier will comply with all applicable statutes, regulations, codes, by-laws, rules, orders and other requirements howsoever enacted or imposed by a jurisdiction having authority.
- 10.1** All applicable material safety data sheets (MSDS) must be provided, prior to or with the receipt of the Goods, for any hazardous materials. If the MSDSs have not been received, the Goods may be shipped back to the Supplier at the Supplier's expense.
- 10.2** If applicable, the Goods must be transported by the Supplier or Supplier's agent in accordance with all applicable law governing the handling and transportation of hazardous or dangerous goods.
- 10.3** Fort McKay Alcor performs incident investigations to all required incidents on supporting sites. In the event of an incident that is the fault of the sub-contract, the sub-contractor will be responsible for all costs incurred which include but are not limited to
- Investigation fee
 - Any asset damages
 - Lost time

WORKERS' COMPENSATION

- 11.0** The Supplier shall ensure compliance with the requirements of the Workers' Compensation Act.
- 11.1** The Supplier must maintain an account in good standing with the WCB. The Supplier's account must include coverage for all employees, partners, proprietors or directors of the firm, company or corporation who are present or may have cause to be at a work site belonging to, or controlled by, the Owner.
- 11.2** The Supplier shall provide verification from the WCB that the Supplier has an account in good standing with the WCB prior to proceeding with supply of the Goods or the performance of the Services and the Owner may seek further verification any time during the supply of the Goods or performance of the Services.
- 11.3** Notwithstanding any other provision in this Purchase Order, the Owner may refuse to make a payment to the Supplier unless the Supplier furnishes a letter or other evidence from the WCB that the Supplier's account with the WCB is in good standing.
- 11.4** If at any time the Owner receives notice from the WCB that the Supplier's WCB account has ceased to be in good standing, or any account of any subcontractor of the Supplier has ceased to be in good standing, including a demand for payment by the Owner, the Owner may suspend payments due to a Supplier until either:
- 11.4.1** the Supplier has obtained a letter of clearance from the WCB for itself or the subcontractor whose account has ceased to be in good standing;
- 11.4.2** or the Owner pays the WCB the amount owing on behalf of the Supplier or the subcontractor and the financial reconciliation has taken place or been waived by the Owner.

ROYALTIES AND PATENTS

- 12.0** The Supplier shall pay any applicable royalties, patent license fees and other similar fees required for the performance of this Purchase Order, supply of the Goods or performance of the Services.
- 12.1** In addition to Section 9.0, the Supplier shall, at its own expense, defend all suits and proceedings against the Owner and indemnify the Owner against any award of damages, demands, losses or costs made against the Owner if such suits or proceedings are based on any claim that any of the Goods constitute an infringement of a third party's intellectual property rights.
- 12.2** If any of the Goods constitute an infringement of any third party's intellectual property rights and the use of the goods is enjoined, the Supplier shall, at its own expense, procure for the Owner the right to continue using the Goods, or, if that is not possible, shall, at the Owner's option, replace or modify the Goods so the Goods become non-infringing and meet the Owner's requirements or pay the Owner for loss of use of the Goods and for damages (both direct and consequential) which the Owner incurs or suffers as a result of the infringement.

INSURANCE REQUIREMENTS

- 13.0** The Supplier shall provide, maintain and pay for the following minimum insurance coverage, in forms acceptable to the Owner:
- 13.1** provide full replacement cost coverage for (if used in the performance of this Purchase Order) buildings, contents, and property of every description related to the subject of this Agreement; and include Commercial General Liability in amounts of no less than \$5,000,000 CAD shall be carried by said Supplier;
- 13.1.1** if any liability insurance policy is written on a claims-made basis, any retroactive date must commence before or on the effective date of this Purchase Order;



- 13.1.2 include Automobile Liability insurances in amounts of no less than \$2,000,000 CAD which shall be carried by said Supplier for any owned, hired, and/or non-owned vehicles used in the performance of this Purchase Order;
 - 13.1.3 include a waiver of subrogation against the Owner, its officers, directors, employees and agents;
 - 13.1.4 be primary insurance(s) with respect to all other available sources;
 - 13.1.5 not include any limitation to the liability assumed under Article 9.0 - INDEMNIFICATION of this Purchase Order;
 - 13.1.6 have the Owner added as "an additional insured, as their interests may appear solely within the confinements of this Purchase Order" to the policies of the Supplier.
- 13.2 The Supplier shall provide evidence of insurance(s) to the Owner in a fashion that is acceptable to the Owner.

WARRANTY

- 14.0 The Supplier shall provide a one year warranty during which all materials and labour or replacement goods, including shipping, will be provided promptly at the Supplier's sole cost, including any cost to remove and replace any other affected work or property, to ensure that the Goods or Services, or both, comply with this Purchase Order, the law and good workmanship in every respect. The Supplier shall apply the warranty when a notification by the Owner of a defect or deficiency in the Goods or Services, or both, is given to the Supplier between the Delivery Date for Goods or the Completion Date for Services, as applicable.
- 14.1 Nothing in this Purchase Order negates any warranty or condition applicable pursuant to Sale of Goods Act (Alberta).
- 14.2 The Owner does not accept the Supplier's terms and conditions of sale.
- 14.3 Where a Contract exists for a Good or Service required by the Owner, the Terms and Conditions of such Contract shall take precedence over those attached to this Purchase Order.

APPLICABLE LAW

- 15.0 This Purchase Order is governed by the laws of the Province of Alberta and the parties agree to submit to the exclusive jurisdiction of the courts "In the Province of Alberta in all matters relating to this Purchase Order.

TERMINATION

- 16.0 If the Supplier is shown to be in default in the performance of any of the Supplier's material obligations set forth in this Purchase Order, then the Owner may, by written notice to the Supplier, require such default to be corrected. If, within fourteen (14) calendar days after receipt of such notice, such default shall not have been corrected or reasonable steps to correct such default shall not have been taken, the Owner may, without limiting any other right or remedy the Owner may have, immediately terminate this Purchase Order and make settlement for the cost of the Goods Supplied, Services rendered and disbursements incurred by the Supplier pursuant to this Agreement and remaining unpaid as of the effective date of such termination. The Owner shall have the right of set off for any extra costs incurred by the Owner as a result of the Supplier's default. The Supplier will not be entitled to any additional payment other than as provided herein and hereby waives any claims thereto.
- 16.1 If the Owner is unwilling or unable to proceed with this purchase, the Owner, for any reason whatsoever, may suspend or terminate this Purchase Order by giving seven (7) calendar days prior written notice to the Supplier. Upon receipt of such written notice, the Supplier shall perform no further services other than those reasonably necessary to suspend or close out the project. In such event the Supplier shall be paid by the Owner for all Goods delivered, Services performed and for all disbursements incurred pursuant to this Purchase Order and remaining unpaid as of the effective date of such suspension or termination. The Supplier will not be entitled to any payment other than as provided herein and hereby waives any claims thereto.

EXPIRATION

- 17.0 Purchase Order is valid till such a time as the Goods have been supplied and/or services have been completed. If Goods and/or Services have not been supplied or completed by the validity end date identified on the Purchase Order the Owner will consider this Purchase Order expired and no Goods and/or Services can be processed against this Purchase Order.

PRINT NAME _____

Title: _____

Signature _____

Date: _____