



## PURCHASE ORDER TERMS AND CONDITIONS

1. **GENERAL:** A St. Lawrence Seaway Management Corporation ("SLSMC") purchase order ("PO") constitutes SLSMC's offer to purchase the products and/or services and deliverables described on the PO (collectively, the "Work") from the supplier ("Contractor") in accordance with (i) the following terms and conditions and any additional terms and conditions printed on the PO (collectively, "SLSMC Terms") and (ii) any administrative information contained in Contractor's order acknowledgement, acceptance or any other Contractor documents (collectively, "Acceptance Documents") such as product identifier, product quantity, ship date and other similar information (collectively (i) and (ii) are this "Agreement"). All other terms and conditions which are contained on Contractor's Acceptance Documents are expressly rejected and superseded by the SLSMC Terms. Failure by SLSMC to object to any provision in Contractor's Acceptance Documents shall not be deemed acceptance of any such document, nor a waiver of SLSMC Terms. Contractor shall be deemed to accept this offer and the SLSMC Terms upon the earlier of acceptance or acknowledgement of the PO whether orally, in writing or otherwise or commencement of performance of Contractor's obligations under the PO. SLSMC Terms may only be excluded or amended by express written agreement signed by a duly authorized SLSMC representative.
2. **PRICES AND PAYMENT:** Unless otherwise specified on the PO, all prices are in Canadian dollars, DDP (Incoterms® 2022) to the delivery location specified on the PO or such other location otherwise specified in writing by SLSMC. Prices are all-inclusive except as otherwise expressly stated or agreed in writing by SLSMC and are the maximum prices to be charged for the Work. Payment for accepted Work shall be made within 30 days following SLSMC's receipt of a proper invoice.
3. **SHIPPING (GOODS):** Unless instructed otherwise, Contractor shall (i) ship the material covered by the PO complete; (ii) ship in accordance with the instructions appearing on the face of the PO; (iii) place the PO number on all packaging and shipping documents. Contractor shall provide adequate protective packing at no additional charge and shall bear full responsibility for damage due to improper packing or shipping of the Work. Goods must be accompanied by documentation and information required by applicable Canadian legislation and regulation. The parties agree that time is of the essence in this Agreement.
4. **LATE DELIVERY:** Contractor shall notify SLSMC as soon as it becomes aware that it cannot meet the delivery date specified in the PO. In the event of such delay, Contractor shall, at no additional cost to SLSMC, employ accelerated measures such as material expediting fees, premium transportation costs or labour overtime to ensure the Work is delivered as soon as possible. In the event a delay in delivery or the new delivery date proposed by Contractor is not acceptable to SLSMC, in addition to any other rights and remedies that may be available to it at law, SLSMC may cancel the PO without any liability whatsoever to Contractor for such cancellation notwithstanding any term to the contrary.
5. **RIGHT OF ENTRY:** SLSMC may, with 2 days prior notice to Contractor, enter the premises of Contractor during Contractor's normal business hours to perform an inspection or quality review with respect to performance of the Work.
6. **INSTRUCTIONS/MSDS:** Contractor must provide SLSMC with such operating instructions (as applicable), safety procedures, instructions and regulations as may be in its possession and applicable to the Work. Contractor must provide SLSMC with appropriate Safety Data Sheet(s) (MSDS).
7. **TITLE AND RISK OF LOSS:** Title to the Work and risk of loss in, and damage to, the Work shall pass to SLSMC upon SLSMC's acceptance of the Work.
8. **INSPECTION AND ACCEPTANCE:** SLSMC shall have 30 days to inspect and accept delivered or completed Work prior to having any obligation to pay for such Work. Where SLSMC discovers defective or non-conforming Work, SLSMC may at its option and without prejudice to any other rights or remedies it may have hereunder or at law: (a) at Contractor's expense and at SLSMC's option, reject the Work, return such Work for refund, credit, repair or replacement or (b) accept the Work subject to a price reduction. If Contractor delivers a quantity of Work greater than that specified in the PO, SLSMC may reject all or part of the excess quantity or accept all or part of such quantity. Any excess quantity of Work accepted by SLSMC shall be subject to the terms and conditions of this Agreement. If Contractor delivers a quantity of Work less than that specified herein, SLSMC may cancel the PO in respect of the undelivered quantity without any liability to Contractor whatsoever.
9. **WARRANTY:** Contractor warrants to SLSMC and its customers that the Work will be new, merchantable, of satisfactory quality, free from defects in design, material and workmanship and, where applicable, will conform to and perform in accordance with specifications, drawings and samples furnished or accepted by SLSMC. If Work contain manufacturers' warranties, Contractor hereby assigns such warranties to SLSMC. Work discovered within the 12 months following acceptance by SLSMC as failing to comply with applicable warranties will be, at SLSMC's option, (i) returned for a full refund or credit of amounts paid by SLSMC for the defective Work, (ii) repaired, (iii) replaced or (iv) reperformed by Contractor, at no cost or expense to SLSMC or its customers and with any shipping and transportation costs and risk of loss and damage in transit borne by Contractor. Repaired and replaced Work shall be warranted as set forth in this section. The above warranties, together with Contractor's service warranties and guarantees, if any, survive inspection, test, acceptance of and payment for the Work and enure to SLSMC, its successors and assigns.
10. **CANCELLATION:** SLSMC may, at any time, cancel or suspend performance of the PO (each and both referred to as a "Cancellation"), in whole or in part, without Contractor's consent. Contractor must cease performance upon receipt of the Cancellation notice. Authorized Work completed by the Contractor to the satisfaction of SLSMC before a Cancellation shall be paid for by SLSMC in accordance with the provisions of this Agreement. Authorized Work in progress shall be paid on the basis of the Contractor's direct provable costs and expenses arising from the Cancellation, exclusive of profit, and an amount representing a fair and reasonable fee in respect of such Work in progress to account for administrative overhead not to exceed 10% of the direct costs and in no event shall SLSMC pay for lost profit on any unperformed Work. Notwithstanding the foregoing, where SLSMC provides Contractor with notice of Cancellation of a PO at least 30 days prior to the scheduled delivery date, SLSMC shall have no liability or obligations to Contractor whatsoever for the Cancellation.
11. **LIABILITY:** To the fullest extent permitted by law, in no event shall a party be liable to the other for lost profit, special, consequential, incidental, exemplary, punitive, or indirect costs, expenses or damages, even if notified of the potential for such costs, expenses or damages.
12. **INDEMNITY AND INSURANCE:** The Contractor shall defend, indemnify and hold harmless SLSMC, its representatives and His Majesty in Right of Canada from and against all claims, demands, losses, costs including judicial and extrajudicial costs arising from any legal

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action, damages, actions, suits or proceedings and by whomever made, bought, or prosecuted and in any manner based upon, occasioned by or attributable to any injury to or death of a person or damage to or loss of property resulting from any negligent, grossly negligent or willful act, omission or delay on the part of the Contractor, its representatives, employees, agents, suppliers, sub-contractors and their sub-contractors, or any other person under Contractor's direction and authority in performing the Work. The Contractor shall also defend, indemnify and hold harmless SLSMC, its representatives, and His Majesty in Right of Canada from and against all costs, charges and expenses whatsoever that SLSMC sustains or incurs from any claims, actions, suits, and proceedings for the use of the invention claimed in a patent, or infringement or alleged infringement or any patent or any registered industrial design or any copyright or any other kind of intellectual property resulting from the performance of the Contractor's obligations under this Agreement, and in respect of the use of or disposal of Work. The Contractor's liability to indemnify or reimburse SLSMC shall not affect or prejudice SLSMC from exercising its statutory rights or any other rights under law. Contractor agrees to furnish, upon request by SLSMC, evidence of comprehensive general liability insurance with minimum limits of \$2,000,000.

**13. CONFIDENTIAL INFORMATION:** Contractor acknowledges that certain information provided by SLSMC in connection with the PO is confidential in nature. Confidential Information means any business, technical, scientific, financial or other information, specifications, designs, plans, drawings, software of SLSMC or other third party, which at the time of disclosure, is reasonably understood to be confidential in nature (collectively, "Confidential Information"). Contractor shall hold Confidential Information in confidence, only use such Confidential Information to perform its obligations to SLSMC and shall not disclose Confidential Information to third parties except where expressly permitted by SLSMC. Confidential Information does not include information that (a) is or becomes publicly available through no fault of the Contractor; or (b) is lawfully disclosed to the Contractor by a third party who is not under any obligations of confidence; or (c) Contractor can establish was known to the Contractor prior to the date of disclosure by SLSMC; or (d) is required by law to be disclosed; or (e) Contractor can establish was developed independently by the Contractor without the use of SLSMC's Confidential Information. Contractor shall, upon written request by SLSMC, promptly return and/or destroy and certify as destroyed all Confidential Information in its possession or control, as well as all material which incorporates any Confidential Information. Contractor shall not disclose, without the prior written consent of SLSMC any Confidential Information to any third party other than its employees, contractors or other third parties under similar obligations of confidence who have a need to know such information. Contractor shall assume full responsibility and shall indemnify and hold SLSMC harmless for the unauthorized disclosure or use of any Confidential Information by its employees, contractors or any other third party to whom Contractor is authorized to disclose Confidential Information pursuant to this section. All obligations of confidentiality and non-disclosure set forth in the PO survive, without limitation, the expiration or earlier termination of the PO. Where the parties have entered into a separate non-disclosure agreement which covers the subject-matter of the PO, that non-disclosure agreement, to the extent applicable, shall supersede this Section.

**14. INTELLECTUAL PROPERTY:** In exchange for the consideration provided to Contractor hereunder, SLSMC shall own all intellectual property rights in any original custom software, custom designs and specifications and custom reports created as a result of Work performed under the PO and delivered to SLSMC. To the extent Work includes pre-existing intellectual property rights of the Contractor or any Contractor

supplier, subcontractor or licensor, Contractor hereby grants and represents and warrants it has the right to grant, SLSMC a perpetual, irrevocable, fully paid-up license to such intellectual property in the Work for SLSMC's internal use and for any other use as may be expressly contemplated by the parties in writing. Contractor agrees to execute any assignment, conveyance or any other assurance necessary to effectuate this Section.

**15. TRADE-MARKS AND LOGOS:** Contractor shall remove or obliterate any identification prior to any use or disposition of any material rejected or not purchased by SLSMC. "Identification" means any semblance of any trade name, trademark, service mark, insignia, symbol, logo, or any other designation or drawing of SLSMC.

**16. NO PUBLICITY OR COMMUNICATION WITH MEDIA:** Neither party shall without the other party's prior written authorization: (a) use or publish, for any purpose whatsoever, the name, image, logo, or trademark of the other party; or (b) advertise a party's involvement in this Agreement. Any third-party, including media, request for information concerning the Work must promptly be forwarded to SLSMC for handling. The Contractor, Contractor's personnel and its subcontractors are strictly prohibited, under any circumstance, to speak to and address the media for any reason in connection with their contractual duties. The Contractor shall ensure its personnel and subcontractors are aware of the requirements of this Section, including the following: if the Contractor's personnel and its subcontractors are approached by members of the media, they shall decline comment and refer the media to SLSMC.

**17. CHOICE OF LAW AND COMPETENT COURT:** The construction, interpretation and performance of the Contract are governed by the applicable laws of the province in which the majority of the Work is performed and Canada, without regard to conflicts of laws principles. The parties expressly exclude application of the United Nations Convention on Contracts for the International Sale of Goods.

**18. ENVIRONMENTAL PROTECTION:** The Contractor shall conform to the requirements of the document entitled SLSMC Corporate Environmental Policy available on SLSMC's Internet site at the following address:

[Corporate Social Responsibility - Great Lakes St. Lawrence Seaway System \(greatlakes-seaway.com\)](http://www.greatlakes-seaway.com)

**19. MISCELLANEOUS:** Any delay by SLSMC in the exercise of any right or remedy provided herein shall in no event be deemed to be a waiver of such right or remedy. To be valid, any waiver by SLSMC must be made in writing expressly referencing the PO. A valid waiver of any right or remedy herein shall in no event be deemed to (i) constitute a waiver of such right or remedy arising in the future or (ii) operate as a waiver of any other right or remedy. SLSMC may assign its rights and obligations under this PO without requiring any notice to or consent from Contractor. Contractor may not assign or transfer any right or obligations hereunder without the prior written consent of SLSMC. Contractor shall not make any changes to the specifications, manufacturing processes or manufacturing site for the Work without SLSMC's prior written consent. Breach of this provision shall entitle SLSMC to immediately terminate the PO without any notice or liability to Contractor whatsoever. Contractor may subcontract such portions of the work as is customary in the carrying out of similar contracts provided that subcontracting shall not relieve the Contractor from any of its obligations under the PO or impose any liability upon SLSMC to a subcontractor. A copy or electronic version of this document shall have the same force and effect as the original document. Each party shall, at all times, comply with laws, regulations and orders issued by a governmental authority applicable to the Work.