

**GENERAL CONDITIONS OF
CONTRACT PROFESSIONAL
SERVICES**

1.0 Definitions

The following terms, wherever used in these documents and in any other documents which are made to form part of the contract, shall have the definitions respectively assigned to them hereunder, unless the context otherwise requires:

"PN" -means PROMATION NUCLEAR Limited;

"Contract" -means the legally binding agreement between PN and the Contractor evidenced by the Contract Documents;

"Contract Documents" means the contract and/or the Purchase Order, these General Conditions, the Scope of Work, the Technical Specifications and Drawings including all authorized modifications thereof, the Instructions to Companies and the Contractor's Quotation. These documents shall have precedence in the order named;

"Contractor" -means a party to the Contract other than PN;

"Contract Information" means all information of whatever nature, including technical information, drawings, documents, models and inventions produced, developed or acquired by the Contractor (or any officer- or employee of the Contractor) or a subcontractor of the Contractor while performing the work;

"Invention" -means any new and useful, or a new and useful improvement to an article, machine, art, technique, process, manufacture or composition of matter, or a new and useful improvement thereof, whether or not patentable, which is made by the Contractor or any officer or employee of the Contractor or a subcontractor of the Contractor;

"Party" -means PN or the Contractor, and "Parties" means PN and the Contractor;

"Subcontractor" -means a person, firm or corporation, having a contract with the Contractor for part of the Work, including the furnishing of labour, materials, equipment or apparatus therefore;

"Work" -that which is intended to be done or supplied as shown and described in the Contract Documents

for the purposes of fulfilling the provisions of this Contract and includes the work, equipment, material, labour, acts, matters and things required under the Contract.

2.0 Changes

This Contract shall be amended only by written change order issued by PN. PN shall not be liable for payment with respect to any activity carried out by the Contractor prior to receipt of the said change order and not consistent with the original Contract.

3.0 Contractor Not Agent

The Contractor shall not act or claim to act as an agent for PN and has no authority, either express or implied, to commit PN in any manner whatsoever to any third party.

4.0 Independent Contractor

The Contractor shall be deemed for the purposes of carrying out the Work to be an independent contractor and neither the Contractor nor its employees shall be considered for any purposes as employees of PN. The Contractor shall be solely responsible for all statutory source deductions of its employees including but not limited to Employment Insurance, Canada Pension, Worker's Compensation, Income Tax, all benefit payments to its employees, as well as any other insurance for work related accidents or injury.

5.0 Conflict of Interest

The Contractor shall forthwith disclose in writing to PN, in reasonable detail, the nature and extent of any real or apparent conflict of interest which exists as of the date of this Contract or which may subsequently arise. All such disclosures, and any uncertainties in this matter, shall be directed to the PN Representative identified in this Contract for clarification and further instruction. In the event of any real or apparent conflict of interest, PN may, in its sole discretion, terminate the Work or direct the Contractor to take such actions as may prevent or eliminate such conflict, including, without limitation, requiring divestiture of assets or interests constituting the conflict.

6.0 Invoicing and Terms of Payment

The Contractor shall deliver to PN at the end of each calendar month one (1) copy of an invoice bearing the Contract number. The invoice shall be for the

services rendered at the rates provided in the Contract. All allowable expenses shall be claimed on the Contractor's invoice less the GST ITC (Input Tax Credit). The invoice shall be supported with timesheets, receipts and other relevant back-up documentation. The Contractor shall contact PN for further information if any confusion exists over the correct billing procedure.

PN, if in agreement with the Contractor's invoice, will pay the invoice net 60 days after receipt of the invoice.

7.0 Rights to Contract

Information and Inventions Definition of "Results" -All ideas, inventions, innovations, improvements, know-how, creations, materials, works, writings, reprints, publications and information collected, assembled, conceived, suggested, originated, developed, constructed, rendered or provided by PN as a result of, in the course of, or in connection with the performance of the services, including all intellectual and personal property rights in same to be delivered to PN by the Contractor upon completion of the services or termination of a given contract.

All Results, with the exception of the underlying points noted below, remain the copyrighted property of the PN, and they shall continue to enjoy all rights and privileges as such.

Results which have been developed, prepared, designed or delivered using proprietary and/or confidential information, and clearly reflect the inclusion of this information, remain the sole property of PN or PN's customers, and, as such, they shall continue to enjoy all associated rights and privileges attributed to them as owners. The Contractor agrees Results proprietary to PN or PN's customers will not be used by the Contractor outside of the scope of this agreement.

The Client shall continue to have limited ability to use and enjoy Results after they are delivered. Results may not be sold, processed, stored electronically or reproduced under any circumstances without prior written consent from PN. Results may not be used or disclosed in the same or similar capacity as they were initially delivered, including lectures, presentations, consultation, or in the development/design of lectures, presentations or consultation, without prior written consent from PN. Results may continue to be used by the Client to carry out the intended outcome(s) of their delivery,

including behavioral, functional and operational modification

8.0 Confidentiality

All information or data of any nature whatsoever disclosed to the Contractor by PN pursuant to this Contract shall be deemed to be proprietary to PN. The Contractor agrees that it will, and will ensure that its employees, officers and directors will, hold in confidence all Information disclosed to it by PN and will not, without PN's prior written consent, disclose same to any third party, including, without limitation, any subsidiary or affiliate of the Contractor. The Contractor shall not, directly or indirectly, use, exploit or disclose such information or Contract Information as defined in the Contract.

No publication, disclosure or unauthorized use whatsoever pertaining directly or indirectly to this Contract or its existence shall be made by the Contractor without the prior written permission of PN. Use of PN's name in any publicity or information relating to the Contractor's business, in any media, whether electronic, written or oral, is absolutely forbidden.

No license under any patent, or copyright, or any other right of PN with respect to information or data disclosed is granted to the Contractor except as set out herein.

Upon direction of PN, the Contractor shall return or destroy all Information received pursuant to this Contract and all copies and other reproductions thereof. The provisions of this Article 8.0 shall survive the expiry or termination of this Contract.

9.0 Indemnification

Each Party shall indemnify and save harmless the other Party, its officers, directors, employees, and those for whom it is responsible, from and against all claims, demands, actions, suits or proceedings of whatever nature, including all costs and expenses incurred in connection therewith, brought or instituted by any third party and based upon, arising out of, related to, occasioned by or attributable to the performance or non-performance by the indemnifying Party of any of the indemnifying Party's obligations under this Contract and the other Party's use or reliance upon any deliverable provided herein by the indemnifying Party

10.0 Liability Insurance

Coincidental with the start of the Work, the Contractor shall maintain the following in full force and effect with financially responsible insurance carriers acceptable to PN:

10.1 Comprehensive General Liability Insurance including products and completed operations, in a minimum amount of not less than \$1,000,000 covering bodily injury, including death, personal injury and damage to property including loss of use arising out of the negligent execution of the Work by the Contractor and Subcontractors. Coverage shall be maintained in full force and effect throughout the duration of the Contract and terminate at the end of the warranty period. The liability insurance program shall contain a provision whereby the insurers agree to provide a waiver of subrogation in favor of PN, with thirty (30) days written notice of cancellation or expiration of coverage

10.2 Workplace Safety Insurance Board (WSIB) coverage in accordance with the statutes of the province in which the Work will be performed.

10.3 Automobile Liability Insurance, covering licensed motor vehicles owned, rented or leased and used in connection with the execution of the Work to be performed under this Agreement covering Bodily Injury and Property Damage Liability to a combined inclusive minimum limit of \$1,000,000.

10.4 Professional Liability Insurance covering losses arising out of the actual or alleged negligent act, error or omission with respect to the professional services rendered or that should have been rendered by the Contractor or any entity for which the Contractor is legally responsible. The requirement to provide coverage in the amount of \$1,000,000 shall only apply to agreements, which are limited to rendering of engineering and related professional services.

10.5 Fifteen (15) days in advance of the commencement of the Work, the Contractor shall provide evidence of coverage in the form of a certified copy of the policy. PN may accept evidence of coverage in the form of a certificate of insurance issued by the broker of record or the insurers.

11.0 Warranty

The Contractor warrants that all aspects of the Work shall be done completely, correctly and in full compliance with that degree of skill and judgment normally exercised by professionals doing work of a similar nature. The Contractor shall re-perform at its own expense any part of the Work which is either not

in accordance with this Contract or the preceding standard of professionalism.

12.0 Security

The Contractor will abide by PN security requirements. Without limiting the generality of the foregoing, this may include furnishing PN with completed personnel history forms on all personnel to be employed on the Work.

The Contractor shall be responsible for safeguarding PN's proprietary documents, data and other materials in its possession in connection with the performance of the Work, including information and Contract Information, against sabotage, espionage and theft.

The standard of care to be exercised by the Contractor shall be the same as it exercises with respect to its own proprietary documents, data and other materials and no less than a reasonable degree of care.

13.0 Audit

The Contractor shall keep proper accounts and records of the work performed under the contract, and of all expenditures or commitments made by the Contractor in Connection therewith, and shall preserve and keep all invoices, receipts, vouchers, purchase orders, time sheets/cards and all other documentation relating thereto for a period of two years after completion of the contract or such lesser time as may be approved by PN in writing. Such accounts, records, invoices, receipts, vouchers, purchase orders, time sheets/cards and documentation shall at all times be open to audit and inspection by PN or its authorized representatives with all such information as it or they may require from time to time with reference to such accounts, records, invoices, receipts, vouchers, purchase orders, time sheets/cards and documentation

14.0 Tax Payment

PN will withhold from any sum owing to non Canadian Contractors a value of fifteen percent (15%) of the money earned while working in Canada in accordance with Paragraph 153 (1) (G) of the Income Tax Regulations and will remit these funds directly to the Receiver General of Canada. PN will issue a T4A-NR summary to the Contractor for the services provided in Canada at year end.

15.0 Notices

Any notice given hereunder shall either be personally delivered or forwarded by facsimile, prepaid registered mail, or e-mail or other means of electronic transmission reducible to writing and shall be deemed to have been received on the date transmitted by personal delivery, facsimile, or e-mail, or on the third business day after mailing. Addresses of the parties for purposes of notice shall be those set out on the face of this Contract or as notified by the parties from time to time in accordance with this procedure.

16.0 No Assignment

The Contractor shall not assign, transfer, or sub-contract this Contract, in whole or in part, or any of its rights, title or interest therein or thereto to any person, firm or corporation whomsoever, without the prior written consent of PN.

17.0 Termination

PN may terminate the work for any reason upon five (5) days written notice to the Contractor. Upon termination, PN shall be obligated to pay the Contractor only for the effort reasonably expended and expenses incurred prior to the expiry of the notice period.

18.0 Entire Agreement and Survival

This Contract constitutes the entire agreement between PN and the Contractor in respect of the subject matter hereof as of its date and no variation thereof will be effective unless specifically agreed to in writing by PN. No local, general or trade customs shall be deemed to vary the terms thereof. The provisions of Articles 7, 8, 9 and 12 shall survive the completion or termination of the Work and this Contract.

19.0 Waiver

The failure of a Party to enforce, at any time, any of the provisions of this Contract or any of its rights hereunder, or to insist upon strict adherence to any condition of the Contract shall not be considered to be a waiver of such provision or right or condition, nor shall it deprive that party of the right thereafter to enforce any such provision or right or to insist upon strict adherence.

20.0 Supporting documentation

Invoices shall include documentation to support all items being claimed for payment. Supporting

documentation shall include time sheets of individuals being billed, or summaries thereof, showing hours worked in the billing period, internal records of usage of Contractor's facilities or equipment, invoices and receipts for expenses incurred, and other supporting documentation which is reasonable to provide and pertinent to the invoice.

20.1 Right of Access

PROMATION, its customer or its agent shall have the right of access to review the subcontractor's documentation required by the applicable QA program standard and have access to the subcontractor premises in order to survey, audit or verify the subcontractor compliance to the P.O. requirements.

20.2 Nonconformance Reporting

The subcontractor shall submit nonconformance reports to Promotion for the acceptance of the disposition.

The subcontractor shall notify Promotion of any deviations from Technical requirements for approval prior to proceeding. Concession requests shall be in writing with adequate justification.

20.3 Record Retention

The Subcontractor will retain the records required in the relevant quality program standard for a minimum period of three years after delivery of the Equipment.

20.4 Shipping & Packaging Instructions

All Equipment will be packed, braced and loaded in such a manner as to prevent physical damage and damage from marine and climatic conditions. Equipment requiring special precautions during shipping and storage will be clearly marked on the outside of the shipping container with specific instructions included in a durable envelope attached to the container and suitably labelled. All openings in Equipment such as vessels, valves and pumps will be sealed. Where necessary, skids, hauling eyes, jacking plates, and slingshooks, will be provided for unloading and field assembly.

Additionally, the supplier shall inspect the final cleaning, preservation, packaging, and marking, and verify shipping operations to ensure that specified requirements are met.

20.5 Program/Process Changes

The subcontractor shall notify Promotion of any changes to program, organization, subcontractors, processes, product and facilities which may have an impact on quality.

20.6 Delivery of Suspect / Counterfeit, Fraudulent and Substandard Items (CFSI's)

The Supplier is hereby notified that the delivery or use of suspect and/or Counterfeit, Fraudulent and Substandard Items (CFSI's) is of special concern to Ontario Power Generation Inc. (PROMATION). If any parts covered by the Contract are described using a manufacturer part number or using a product description and/or specified using an industry standard, the Supplier shall be responsible to assure that the replacement parts supplied by the Supplier meet all requirements of the latest version of the applicable manufacturer data sheet, description, and/or industry standard. If the Supplier is not the manufacturer of the goods, the Supplier shall make all reasonable efforts to assure that the parts and components supplied under the Contract or used to manufacture the equipment covered in this order are made by the Original Equipment Manufacturer (OEM) and meet the applicable manufacturer data sheet or industry standard. Should the Supplier desire to supply or use a part that may not meet the requirements of this paragraph, the Supplier shall notify PROMATION of any exceptions and receive PROMATION's written approval prior to shipment or use of the replacement parts to PROMATION. If suspect and/or CFSI parts are furnished under the Contract or are found in any of the goods delivered hereunder, such items will be dispositioned by PROMATION and may be returned to the Supplier. The Supplier shall promptly replace such suspect and/or CFSI parts with parts acceptable to PROMATION and the Supplier shall be liable for all costs, including but not limited to PROMATION's internal and external costs, relating to the removal and replacement of said parts. To mitigate the CFSI risk, PROMATION requires our approved suppliers to recognize this risk by introducing into their Quality Assurance program a documented process to prevent, detect and disposition suspect CFSI's.