



GENERAL TERMS
AND
CONDITIONS

Revised March 2015

These general terms and conditions (“Conditions”) apply to all acquisitions of goods and services by Buyer from Vendor, unless otherwise specified herein.

1. Definitions. In these Conditions,

“**Applicable Law**” has the meaning stated in Section 11.1.

“**Applicable Rule**” means all of Buyer’s environmental, health and safety, site and other corporate policies, requirements and procedures, as amended and communicated from time to time by Buyer to Vendor or any of Vendor’s employees, subcontractors, suppliers or agents performing Services or work in connection with the Contract on premises occupied by Buyer.

“**Buyer**” means the entity that is identified as such in the Purchase Order issued to Vendor or in the Separate Agreement entered into with Vendor.

“**Claims**” means all claims (including claims for bodily injury and death and claims for loss or destruction of property or damage to property), demands, actions, suits, losses, costs (including investigation and remediation costs), damages, expenses (including reasonable legal fees, court costs and all other costs of suit) and liabilities, whether arising at law, in equity, by statute or any doctrine of strict liability.

“**Contract**” means all of the documents mentioned in paragraphs (a) through (g) of Section 2.

“**Force Majeure**” has the meaning stated in Section 18.

“**Goods**” means the goods, merchandise, supplies, equipment items and other materials described in the Purchase Order or the Separate Agreement, as applicable, and to be sold by Vendor to Buyer.

“**Lien**” means any lien, privilege, mortgage, hypothec, pledge, charge, trust, security interest, option, claim, attachment, assignment, seizure, sequestration, distress, levy, judgment, suit or other encumbrance of any nature whatsoever.

“**Purchase Order**” means the purchase order, if any, issued by Buyer to Vendor in relation to the acquisition of the Goods or the Services.

“**Separate Agreement**” means the separate agreement, if any, entered into between Buyer and Vendor in relation to the acquisition of the Goods or the Services.

“**Services**” means the services described in the Purchase Order or the Separate Agreement, as applicable, and to be provided by Vendor to Buyer.

“**Guidelines for Suppliers**” means Buyer’s guidelines for suppliers, as amended from time to time, a copy of which can be obtained at www.resolutefp.com under the quick link: Guidelines for Suppliers.

“**Vendor**” means the person that is identified as such in the Purchase Order issued by Buyer or in the Separate Agreement entered into with Buyer.

2. Precedence of Documents. In the event of conflict between these Conditions and the provisions contained in a Purchase Order or any of its attachments, the Separate Agreement or any of its attachments, or any other documents between Buyer and Vendor in relation to the provision of Goods or Services, the following order of precedence will prevail as to the provision of those Goods or Services: (a) the Separate Agreement; (b) the Purchase Order when accepted by Vendor in accordance with Section 3; (c) these Conditions; (d) the specifications; (e) the instructions to tenderers; (f) drawings of a larger scale; (g) drawings of the same date as and of a smaller scale than those mentioned in paragraph (f) above; and (h) all other documents of the parties, including invoices and receipts (except for any terms and conditions that may be referred to therein or attached thereto, which shall not be binding upon the parties unless approved in writing by an authorized representative of each of the parties).

3. Acceptance of Purchase Orders. Vendor is deemed to have accepted a Purchase Order on the earliest of: (a) Vendor transmitting to Buyer its written or oral acceptance of the Purchase Order, without reserve or change; (b) Vendor shipping to Buyer any of the Goods covered by the Purchase Order; and (c) Vendor starting to perform any of the Services covered by the Purchase Order. Buyer may revoke a Purchase Order at any time prior to acceptance. Acceptance of the Purchase Order constitutes acceptance of these Conditions.

4. Delivery. Vendor must deliver the Goods, assemble and install them (if applicable), and perform the Services within the time, in the manner and at the place specified in the Contract. Vendor must deliver the Goods as ordered in the Contract and it has no right to make any substitution or replacement without Buyer’s prior written consent.

5. Inspection and Rejection.

5.1 Inspection and Testing: Buyer has the right to inspect all custom-made Goods at the place of delivery to Buyer and at the locations where the Goods are made or stored, including on premises of subcontractors, suppliers, workers and other persons performing work in connection with the Contract. Vendor must grant, and ensure that all those persons performing work in connection with the Contract grant, to Buyer and its representative's free access to their premises and to shop drawings and all other relevant information for inspection during normal business hours. Whenever performance tests or trials of the Goods are provided for in the Contract, Buyer will start and complete those tests and trials within a reasonable period after delivery but no acceptance will be deemed to occur until successful completion of those tests and trials to Buyer's satisfaction. Inspection or acceptance of Goods or Services does not limit Buyer's rights under the Contract.

5.2 Right of Rejection: Buyer has the right to reject, within a reasonable period after delivery, and to return to Vendor, at Vendor's expense, any Goods and Services that are not as ordered, are not in good operating condition and repair (if applicable) or do not meet all conditions (including the design, specifications, performance requirements and description) specified in the Contract, together with any items delivered in error or in excess of the quantity shown on the Contract. Vendor will have no Claim against Buyer for any Goods, Services or items so rejected or returned, will indemnify and hold Buyer harmless from and against, and at Buyer's request, will assume its defense in connection with, all Claims relating to those Goods and items while in transit or in Buyer's possession.

6. Title and Risks. Title to and ownership of the Goods will pass to Buyer (a) at the time of delivery to Buyer at the place specified in the Contract; or (b) if performance tests or trials are provided for in the Contract, at the time of acceptance of the Goods by Buyer. Vendor bears all risks of loss of and damage to the Goods until that transfer of title and ownership.

7. Packaging. Vendor must, at its expense, ensure that all Goods (including all components) are properly boxed, crated and suitably prepared for shipping, and are carefully wrapped or packaged and identified, or pre-assembled and fixed on the pallet as appropriate for transportation and handling on the building site, as applicable, so as to avoid damage during transportation, handling and storage and to facilitate on-site handling. All packaging slips must state appropriate Contract numbers. One copy of the packaging slip must be affixed to the outside of the package and one copy must be included inside the package.

8. Shipping and Invoicing Documentation.

8.1 Shipping: Unless otherwise specified in the Contract, Vendor is responsible for arranging and paying for transportation of the Goods to the place of delivery specified in the Contract. Vendor must give Buyer at least forty-eight (48) hours verbal or email notice before shipping the Goods covered by the Contract. Where, however, the Goods are at Buyer's risk while in transit, Vendor must give Buyer at least fifteen (15) days verbal or email notice before shipment, except for rush or emergency orders, and the notice must state the value and method of each shipment.

8.2 Invoices and Bills of Lading: Each invoice must include the particulars of the price, including any price discount, the Contract number, a complete description of the Goods and Services covered by that invoice, the tax information stated in Section 17.2 and all other information required by Buyer. In addition to the documentation required below for cross-border shipments to Canada, invoices and bills of lading showing full routing and all other information required by Buyer must be dated and mailed at the time of shipment and a separate invoice must be made for each destination showing point and method of shipment. Invoices including transportation charges must be accompanied with original receipted transportation bills and, in the case of consolidated carload shipments, must show applicable weight and rate. Prepaid shipping charges must be shown as a separate item on Vendor's invoice.

8.3 Customs Clearance: Unless otherwise arranged with Buyer, Vendor is responsible for providing the Goods "delivered duty paid", including clearing the Goods through customs for export and for import, carrying out customs formalities at its expense and paying customs brokers' fees and customs duties for

import. In all cases, Vendor must provide the documentation required below for cross-border shipments to Canada (if applicable) and, if information is required from Buyer for customs clearance purposes, Vendor or its agents must request the information by fax or email to Buyer's appropriate contact no less than two (2) business days before the date required. Failing that request, a delay in clearing customs resulting from incomplete information will not be an excuse for late delivery.

8.4 Cross-border Shipments to Canada from Destinations other than U.S.A or Mexico: When shipping to Canada from countries other than the U.S.A. or Mexico, one copy of the Canadian customs invoices must be sent by fax or priority mail, no later than the date of shipment, to the customs broker and to Buyer (two copies each for mail or air shipments). A certificate of origin and a bill of lading (in multiple copies, if required by Buyer) must be sent at the same time by fax and priority mail to Buyer (original copy) and to the customs broker. In addition, Vendor must, on the date of shipment, send by fax or priority mail the signed copy of the bill of lading to Buyer.

8.5 Cross-border Shipments to Canada by Truck from U.S.A or Mexico: When shipping to Canada from the U.S.A. or Mexico by truck, the Canadian customs invoices, the NAFTA certificate and the bill of lading must be sent by fax or priority mail, no later than the date of shipment, to the customs broker and to Buyer (one copy each). The customs invoices and the truck bill of lading must be clearly marked "customs clearance by [customs broker's name]". In addition, Vendor must, on the date of shipment, send by fax or priority mail the signed copy of the bill of lading to Buyer.

8.6 Cross-border Shipments to Canada other than by Truck from U.S.A or Mexico: When shipping to Canada from the U.S.A. or Mexico by rail freight, messenger service, express mail or air, the Canadian customs invoices, the NAFTA certificate and the bill of lading must be sent by fax or priority mail, no later than the date of shipment, to the customs broker and to Buyer (one copy each, except for shipments by messenger service, by express mail or by air where two copies to each must be sent). In addition, Vendor must, on the date of shipment, send by fax or priority mail the signed copy of the bill of lading to Buyer.

9. **Warranty.** Vendor warrants that: (a) the Goods will be new, including in all their components; (b) the Goods will conform to the design, specifications, performance requirements and description set out in the Contract; (c) Vendor will extend to Buyer the benefits of its standard warranties and guarantees against defects in design, material and workmanship of the Goods on the terms and conditions disclosed to Buyer and approved in writing by Buyer; failing those, Vendor warrants that the Goods will be free from any defect in design, material and workmanship for a period of eighteen (18) months from the date of the transfer to Buyer of title and risks to the Goods under Section 6 and, during that period, it will at its expense remove and replace or repair all defective items at the Buyer's location where the Goods were to be delivered as specified in the Contract; and (d) Buyer will have the benefits of all warranties, guarantees, service contracts and similar contracts available to Vendor from its suppliers, manufacturers or sellers of the Goods for their full term (irrespective of any time limitation on the Vendor warranties or guarantees under the Contract). The Vendor is bound to warrant to the Buyer that the Goods are, at the time of the sale, free of latent defects which render it unfit for the use for which it was intended or which so diminish its usefulness that the Buyer would not have bought it or paid so high a price if he had been aware of them. If the Vendor was aware or could not have been unaware of the latent defect, it is bound not only to restore the price, but to pay all damages suffered by the Buyer. A defect is presumed to have existed at the time of a sale by the Vendor if the Goods malfunction or deteriorate prematurely in comparison with identical items of property or items of the same type.

10. Performance of Services, Safety and Environmental.

10.1 Standard of Services: Vendor warrants that the Services will be provided to Buyer diligently, in a professional manner and in accordance with the highest industry standards and practices. Vendor is solely responsible for compliance, by it and by all of its employees, subcontractors, suppliers, workers and other persons performing Services or work in connection with the Contract, and with all Applicable Law, the Guidelines for Suppliers as well as, when Services or work in connection with the Contract are being performed on premises occupied by Buyer, with all Applicable Rule. Vendor is also solely

responsible for any breach by any of those persons of the Contract, Applicable Law, the Guidelines for Suppliers or Applicable Rule.

10.2 Safety: Vendor is solely responsible and accountable for safety relating to its providing and performing of the Services and work in connection with the Contract, including, but not limited to, safety of all employees, subcontractors, suppliers, workers and other persons performing such Services or work, and any other persons and all property affected by Vendor's responsibilities under the Contract.

10.3 Training and Certification: Vendor warrants that all employees, subcontractors, suppliers, workers and other persons performing Services or work in connection with the Contract: (i) have the requisite skill and knowledge necessary to perform such Services or work, and (ii) have received the required training and have passed appropriate testing, and are, as required, fully certified to do so. Vendor is solely responsible for ensuring that all employees, subcontractors, suppliers, workers and other persons performing Services or work in connection with the Contract are made fully aware of and comply at all time with all Applicable Law, the Guidelines for Suppliers and, when Services or work in connection with the Contract are being performed on premises occupied by Buyer, all Applicable Rule.

10.4 Protective and Rescue Equipment: Vendor shall provide at its own cost and expense, and is solely responsible for ensuring that all employees, subcontractors, suppliers, workers and other persons performing Services or work in connection with the Contract utilize the proper personal protective equipment and any other equipment required to protect against injuries during the performance of such Services or work or as otherwise required under Applicable Law and, when Services or work in connection with the Contract are being performed on premises occupied by Buyer, Applicable Rule, including, without limitation, safety boots and safety glasses. Unless otherwise agreed to in writing, Vendor is also solely responsible for ensuring that all appropriate rescue equipment is available at the site where the Services or work in connection with the Contract are being provided, and that all such employees, subcontractors, suppliers, workers and other persons on site are duly trained to utilize such rescue equipment.

10.5 Work on Buyer's Premises: When Services or any other work in connection with the Contract is are being performed on premises occupied by Buyer, Buyer has the right to request the substitution for any reason whatsoever of any of the Vendor's employees, subcontractors, suppliers, workers and other persons performing those Services or work.

10.6 Damage to Buyer's Property: Vendor is liable for the cost of repair, replacement in kind, damage and loss of all goods, merchandise, supplies, equipment and other materials and property that belong to Buyer and are in the possession of Vendor, including any equipment or other property that is being manufactured, repaired or refurbished under the Contract.

10.7 Special Tools: Buyer has the right to request Vendor, at Vendor's expense, either to store for use on future Buyer work or to ship in accordance with Buyer's instructions all special jigs, fixtures, patterns, discs and other special tooling used in connection with the Contract.

10.8 Chemical Approval: It is prohibited to bring on site any chemical products without the prior written consent of the facility's environmental department, in which case the contractor must provide the product's Safety Data Sheet and any additional information requested by the facility concerning, but not limited to, the potential impacts of any product on the treatment plant, prior to bringing it on site. It is absolutely prohibited to bring on site any chemical products containing Nonylphenol Ethoxylates (NPE) or dyes containing MAPBAP acetate.

10.9 Releases: It is absolutely prohibited to release (voluntarily or not) any substance to any sewer, including process sewers; the contractor must immediately advise facility personnel of any spill to the water, ground, air or process sewer.

10.10 Environmental Compliance: The contractor must be at all times in compliance with all environmental laws and regulations in force in the applicable jurisdiction(s), as related to the services to be rendered, and must obtain all required environmental permits for the conduct of its business. The contractor must inform the Buyer of any environmental fine, warning, notice of violation or other non-compliance event received while performing services for the Buyer or in connection with such services.

10.11 The contractor must perform its services in a way that minimizes the risks of environmental incidents. For any services related to the transportation and/or disposal of chemicals, petroleum products and process residues (including but not limited to sludge, ashes, process liquor, used oils, turpentine, wood shavings and wood yard residues), the contractor must ensure that any loading or unloading of the substance taking place at the Buyer's facility is performed under the continuous surveillance of at least one contractor's representative, unless advised otherwise in writing by a representative of the Buyer;

11. Legal Compliance.

11.1 Applicable Law: Vendor warrants to Buyer that the origin of the Goods, the materials used for their manufacture, and their design, manufacture, packaging, use instructions, distribution, assembly, installation, testing, delivery and sale, as well as the rendering of the Services will comply with all applicable international, federal, provincial, territorial, state, municipal, local and other laws, regulations and rules and with all codes and standards of governmental and other authorities having jurisdiction ("**Applicable Law**"), including, without limitation, those relating to: (a) the protection of the French language; (b) the protection of the environment; (c) the handling and transportation of waste and hazardous substances; (d) health and safety; (e) labor and employment (including prohibitions against child labor and corporal punishment); and (f) the conduct by Vendor of its business.

11.2 Permits: Vendor warrants to Buyer that it holds all of the necessary permits, licenses, consents and other authorizations in accordance with all Applicable Law, is in good standing with all governmental and other authorities having jurisdiction over the conduct of its activities and will provide Buyer, upon request, with proper evidence to that effect. Vendor must, at its expense, obtain and maintain in force all certificates, permits, licenses, consents and other authorizations in relation to the assembly, installation, testing and inspection of the Goods and provide those documents to Buyer at the latest on the first performance tests or trials of the Goods.

11.3 C-TPAT: To the extent that any Goods will be exported into the United States, Vendor must comply with all applicable recommendations and requirements of the Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT) initiative and, at the request of Buyer or any governmental authority, must certify in writing its compliance with the C-TPAT initiative.

12. Liens.

12.1 Free and Clear Rights: Vendor warrants that: (a) it has the right to sell the Goods and to provide the Services in accordance with the Contract; (b) it will convey to Buyer good and marketable title to the Goods at the time of transfer to Buyer of title and risks to the Goods under Section 6; and (c) it will deliver to Buyer all Goods and Services free and clear of all Liens.

12.2 Discharge and Waivers of Liens: Vendor waives and must pay and discharge all Liens held or asserted (whether properly or not and whether arising before or after final payment to Vendor hereunder) by it or any subcontractors, suppliers, workers and other persons in connection with the Contract, including persons performing or providing any work, labor, tools, goods, merchandise, supplies, equipment items or other materials used or intended for use in connection with the Goods or the Services. Vendor must provide to Buyer, at Buyer's request, satisfactory evidence of the release, waiver or satisfaction of all those Liens and, to the extent permitted by Applicable Law, a waiver from it and from those persons of any rights they may have to register or publish their Liens or other rights or interest against Buyer or its property in connection with the Contract. Buyer has the right to pay directly to any such person any amount due or to become due by Vendor to that person in connection with any part of the Contract and, at Buyer's request, Vendor will reimburse Buyer for all such payments.

- 13. Intellectual Property.** Vendor warrants that: (a) the Goods, any materials, process or know-how used for their design, manufacture, packaging, use instructions, distribution, assembly, installation, testing, delivery and sale, the possession, use and resale of the Goods, and the rendering of the Services will not infringe any patent, trade mark, industrial design, copyright or other intellectual property right or any other rights or interest of any third party in or outside Canada; (b) it has paid and will pay all license fees, royalties and similar expenses that may be due to third parties in connection with the Goods and the Services, unless otherwise specified in the Contract; and (c) Buyer will have the right to use all software accompanying the Goods.
- 14. Insurance.** Vendor shall maintain, at its expense, the following insurance until the latest of: (i) the transfer to Buyer of title and risks to the Goods pursuant to Section 6, and (ii) acceptance of the Services by Buyer, as applicable: (a) All Risks insurance on its own plant, equipment and materials and property of others in its care, custody and control for the full replacement value, including while in transit until final destination, with waivers by Vendor and its insurers of all rights of subrogation against Buyer; (b) Commercial General Liability Insurance against Claims for damages resulting from, but not limited to, bodily injury, personal injury or material damages to third parties for a minimum limit for each occurrence of CDN\$2,000,000 if the address of Vendor stated in the applicable Purchase Order or the Separate Agreement is located in Canada (£2,000,000 if that address is located in the United Kingdom and US\$2,000,000 if that address is located outside Canada and the United Kingdom), with waivers by Vendor and its insurers of all rights of subrogation against Buyer; (c) Automobile Liability insurance for a minimum limit for each occurrence of CDN\$2,000,000 if the address of Vendor stated in the applicable Purchase Order or the Separate Agreement is located in Canada (£2,000,000 if that address is located in the United Kingdom and US\$2,000,000 if that address is located outside Canada and the United Kingdom), with waivers by Vendor and its insurers of all rights of subrogation against Buyer; (d) only if the address of Vendor stated in the applicable Purchase Order or the Separate Agreement is located in the United States, Worker's Compensation Insurance including Employers' Liability for a minimum limit of US\$1,000,000, with waivers by Vendor and its insurers of all rights of subrogation against Buyer; and (e) only if the address of Vendor stated in the applicable Purchase Order or the Separate Agreement is located in the United Kingdom, Employers' Liability coverage for a minimum limit of £1,000,000.

If Services or work in connection with the Contract are being performed on premises occupied by Buyer, Buyer shall be named additional insured under Vendor's Commercial General Liability Insurance. Even if Services are not being performed by Vendor pursuant to the Contract, Buyer may, at its discretion, request to be named additional insured under Vendor's Commercial General Liability Insurance.

Vendor shall provide to Buyer certificates of insurance evidencing the required coverage before the commencement of the Contract, and immediately upon renewal of any required policies under this Contract.

Each certificate of insurance shall contain a provision to the effect that the insurance policies cannot be cancelled or coverage materially changed without at least thirty (30) days prior notice by registered mail to Buyer (i.e. Ponderay Newsprint Company c/o Resolute Forest Products - 111 Duke Street, Suite 5000, Montreal, Quebec H3C 2M1 Canada, Attention: Analyst, Risk Management).

Without limiting any of Vendor's obligations herein, including its insurance obligations, Vendor is responsible to ensure that each of its permitted subcontractors maintain insurance similar to the foregoing, as well as any insurance which: (i) is legally required; and (ii) in the opinion of Buyer is reasonable and appropriate in respect of the Services to be performed by such subcontractor.

15. Remedies.

15.1 Cumulative Remedies: All rights and remedies of Buyer under the Contract are cumulative and may be exercised together.

15.2 Indemnity: Vendor will indemnify and save harmless Buyer and its directors, officers, employees, agents, consultants, subcontractors and representatives from and against, and at Buyer's request, will

assume their defense in connection with, all Claims brought by or against any of them or suffered by any of them arising out of, as a result of or in connection with: (a) the Goods supplied or the Services provided under the Contract; (b) a breach by Vendor of any of its warranties or other obligations under the Contract; (c) any error, act or omission of Vendor or any of the Vendor's employees, subcontractors, suppliers, workers and other persons performing Services or work in connection with the Contract; and (d) any antidumping or similar duties, together with any fines, penalties and interest based on late or non-payment and other costs for which Buyer may become liable as a result of the supply of the Goods hereunder.

15.3 Right of Set-Off: Buyer has the right to deduct from and compensate against any amounts due to Vendor under the Contract any amount paid by Buyer and for which Vendor is liable, including Claims for which Vendor must indemnify Buyer under Section 15.2, such as the amount of any Claims resulting from improper packaging, the amount of any unpaid Liens that should have been paid and discharged by Vendor pursuant to Section 12.2 and the amount of any taxes or other deductions that should have been withheld or paid by Vendor pursuant to Section 17.

15.4 Cancellation: If Vendor is in breach of any its warranties or other obligations under the Contract, if Vendor becomes insolvent, any other act of bankruptcy takes place regarding Vendor, any petition, notice or proceeding, voluntary or not, is commenced or given by Vendor or any other person under any law relating to bankruptcy, insolvency or debtor relief, or if a trustee, receiver, manager or similar official is appointed with respect to all or any part of Vendor's property, Buyer will have the right, without any liability whatsoever: (a) to immediately cancel the Contract, in whole or in part, including the right to return to Vendor, at Vendor's expense, any Goods already delivered and immediately obtain the refund of all amounts then paid to Vendor under the Contract for those Goods and the right to cancel a Purchase Order or the Separate Agreement, as applicable, as to non-delivered or non-conforming Goods and Services and as to Goods not yet shipped and Services not yet delivered; (b) to place orders for any goods or services elsewhere; and (c) to immediately obtain the refund of all amounts then paid to Vendor under the Contract for non-delivered or non-conforming Goods and Services and for Goods not yet shipped and Services not yet delivered. The Contract will not be or deemed to be an asset in the case of Vendor's bankruptcy.

16. Price and Payment. Buyer will pay the price for the Goods and the Services in the amount stated in the Contract and, unless otherwise specified in the Contract, within sixty (60) days following receipt from Vendor of its invoice and supporting documentation meeting the requirements contained in the Contract. Payment for the Goods or Services does not limit Buyer's rights under the Contract.

17. Taxes.

17.1 Taxes Payable by Vendor: Vendor must timely pay all medicare and pension plan contributions, workmen's compensation, unemployment, payroll taxes, income and other source deductions, social security taxes, holiday pay and other employer contributions that are payable to any tax authorities (including federal, provincial, territorial, state, municipal and local tax authorities) with respect to Vendor's employees, including any contributions measured by the wages, salaries or other remuneration paid to Vendor's employees. Vendor will reimburse Buyer, upon request, for any amounts that Buyer may be required to pay with respect to those taxes, contributions and other payments, and for any related fines, penalties and interest based on late or non-payment.

17.2 Taxes Payable by Buyer: Buyer must pay to Vendor all applicable sales, goods and services, value-added and other taxes imposed by any tax authorities (including federal, provincial, territorial, state, municipal and local tax authorities) with respect to Buyer's acquisition of the Goods and Services under the Contract. Vendor will either: (a) include those taxes as a separately stated charge on its invoice; or (b) clearly state on the invoice that those taxes are included in the total charge with respect to that invoice. Vendor will meet all the other documentation requirements imposed on Vendor by all tax authorities. Vendor will reasonably cooperate with Buyer and its representatives in the preparation of all necessary claims and reimbursements for sales, goods and services, value-added and other taxes included in the price payable under the Contract. All reimbursements received by Vendor with respect to the Goods and

Services under the Contract must be promptly paid over to Buyer. In no event will Buyer be responsible for any taxes on or measured by Vendor's income, payroll, capital, capital stock or property.

17.3 Withholding Taxes: Where required by Applicable Law, Buyer will be entitled to deduct from any payment due to Vendor any withholding tax, levy or similar assessment so required. Proof of payment of such a tax or deduction will be a full discharge of Buyer's liability to Vendor for payment of an equivalent amount. If for any reason Buyer has failed to withhold or deduct any such amount which is payable by it, Vendor will, at Buyer's request, immediately reimburse that amount to Buyer. Vendor will provide to Buyer all appropriate forms, certificates and waivers to allow Buyer to claim credit or a waiver for the applicable withholding tax or similar deduction. Vendor will indemnify and save harmless Buyer from and against, and at Buyer's request, will assume its defense in connection with, all Claims suffered by it arising out of, as a result of or in connection with Buyer's failure to withhold or deduct any amount in reliance of any form, certificate or waiver provided by Vendor, and for any related fines, penalties and interest based on late or non-payment. Buyer will provide Vendor with all necessary receipts, certificates, documents and other information required for Vendor to avail itself of any tax credit for all withheld taxes and similar deductions.

- 18. Force Majeure.** If a party is unable to perform its obligations under the Contract due to "**Force Majeure**" (which includes fires, explosions, floods, earthquakes, other elements of nature or acts of God, acts of war, enemy action, terrorism, sabotage or civil disorders, strikes, lockouts or other work stoppages or disputes, delay or default of carriers, newly adopted legislation, order or other decision of any government or semi-public authority, and any other contingencies that are beyond the reasonable control of that party), it will not be in default under the Contract for the period during which the Force Majeure lasts. That party must give written notice to the other party promptly after the occurrence of the Force Majeure, with details thereof. If a Force Majeure affecting Vendor's obligations lasts for more than five (5) days after the date specified in the Contract for delivery of the Goods or Services, Buyer will be entitled to exercise the same rights as those provided in Section 15.4, without any liability whatsoever.
- 19. Relationship of the parties.** Vendor is and will remain an independent contractor. Vendor has no authority whatsoever to bind or represent Buyer under the Contract. Nothing in the Contract is intended to create an employment, agency, partnership, joint venture or similar relationship between the parties. Nothing in the Contract is intended to create any relationship between Buyer and any employee of Vendor or any employee of any Vendor's subcontractors, suppliers and other persons performing Services or work in connection with the Contract. None of those employees will be considered an employee of Buyer nor will he/she or Vendor be entitled to any of the benefits provided to Buyer's regular employees.
- 20. Support to Continuous Improvement Operating System.** Vendor acknowledges that Buyer is engaged in initiatives that will help it generate cost savings from a total cost of ownership (TCO) standpoint and expects its suppliers such as Vendor to actively participate in this approach by providing Buyer with value proposal offerings for all their products, materials and services.
- 21. Confidentiality.** Vendor agrees that: (a) it will keep in strict confidence all of Buyer's non-public, confidential or proprietary materials and information; (b) it will not copy or disclose them except as specifically consented to in writing by Buyer; (c) it will only use them for the purpose of providing the Goods or the Services under the Contract; and (d) it will exercise reasonable care to preserve the confidentiality of those materials and information and will employ at least the same safeguards as it uses to protect its own confidential information of a similar nature.

22. General Provisions.

22.1 Entire Agreement: The Contract constitutes the entire agreement between the parties with respect to the subject matter thereof and supersedes all prior agreements with respect thereto.

22.2 Waiver: No failure or delay by a party in exercising any right or privilege under the Contract will operate as a waiver thereof nor will any single or partial exercise thereof preclude any other or future exercise of any right or privilege hereunder.

22.3 Amendment: The Contract and these Conditions may not be amended or waived in any manner whatsoever, except by a writing signed by the parties.

22.4 Binding Effect: The Contract will be binding upon, and enure to the benefit of, the parties and their respective successors and permitted assigns.

22.5 Assignment: Neither party may assign or transfer any of its rights, interests or obligations under the Contract, except (a) with the prior written consent of the other party, (b) by Vendor, to an assignee of its accounts receivable in connection with a financing or (c) by Buyer, to one or more of the persons that, directly or indirectly, through one or more intermediaries, control, are controlled by or are under common control with Buyer, or to a third party upon the sale or other transfer of Buyer's business (or any part thereof) to which the Contract relates.

22.6 Subcontractors: Without limiting the generality of Sections 10.5, 19 and 22.5, when part of the Services or work in connection with the Contract are not performed by employees of the Vendor, Vendor shall identify in writing the name of any of its subcontractors to Buyer at least five (5) business days prior to such subcontractors starting to perform such Services or work on premises occupied by Buyer. At any time during the term of the Contract, Buyer has the right to object to Vendor's subcontracting any part of the Services or work in connection with the Contract and/or to request the substitution for any reason whatsoever of any of Vendor's subcontractors. Vendor's subcontracting part of the Services or work in connection with the Contract shall not limit Buyer's rights or Vendor's obligations under the Contract.

22.7 Severability: The provisions of the Contract and of these Conditions are severable and, if any of them is held invalid or unenforceable in any jurisdiction, that invalidity or unenforceability will not affect or render invalid or unenforceable that provision in any other jurisdiction or any other provision in any jurisdiction.

22.8 Governing Law: The Contract will be governed by and construed in accordance with the laws in effect in (a) the Canadian Province where the address of Buyer stated in the applicable Purchase Order or the Separate Agreement is located, (b) England if the address of Buyer stated in the applicable Purchase Order or the Separate Agreement is located in the United Kingdom or (c) the State of New York, U.S.A. if the address of Buyer stated in the applicable Purchase Order or the Separate Agreement is located outside Canada and the United Kingdom, without giving effect in any case to the conflict of laws rules of the applicable jurisdiction. The parties have expressly required that the Contract, including these Conditions, and all documents and notices related thereto be drafted in English only. *Les parties aux présentes ont expressément exigé que le Contrat, y compris les présentes Conditions, et tous les documents et avis y afférents soient rédigés en anglais seulement.*

22.9 Incoterms: With regards to Incoterms, "Incoterms 2010" of the International Chamber of Commerce will govern in all cases. In the event of conflict between these Conditions or any other provisions of the Contract and Incoterms, these Conditions and the other provisions of the Contract will prevail.

22.10 Exclusion of Vienna Convention: The terms of the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Contract.

22.11 Survival: Expiration or termination of the Contract shall not prejudice any rights or relieve either party of any of its obligations that have arisen on or before the date of expiration or termination. Any provision of the Contract that by its very nature or context is intended to survive any termination, cancellation or expiration of this Contract, including, but not limited to, provisions concerning payment of outstanding amounts, warranty, confidentiality and indemnities, shall so survive.

22.12 Time: Time is of the essence of the Contract.

22.13 Understanding: Vendor acknowledges that: (a) all external clauses referred to in the Contract, including in these Conditions, were expressly brought to its attention and knowledge at the time of execution of the Contract; (b) it has read the terms and conditions of the Contract, including these Conditions; (c) it was given sufficient time to consult its advisors and has received adequate explanations concerning the nature and scope of its obligations under the Contract, including under these Conditions; and (d) it understands and is satisfied with the provisions of the Contract, including these Conditions.