



*Purchase of Materials in
Canada / Outside Canada*

*Purchase of Services in
Canada / Outside Canada*

Materials Purchased within Canada

Prices are in Canadian funds, and are firm through delivery for the quantity of material specified or for the term of the contract, whichever is greater. Price increases thereafter to be negotiated with Marine Atlantic Inc.

Delivery lead-time as shown on the purchase order is the number of calendar days to effect shipment following receipt of the Marine Atlantic Inc. purchase order by the vendor. Time of delivery shall be of the essence of this contract and failure of the vendor to deliver all or any part of the goods ordered at the time or times specified shall confer on the purchaser the right to cancel the contract at its option.

Title. The receipt of the goods by a carrier shall not be deemed to be receipt thereof by the purchaser, and title to the goods shall not pass to the purchaser until same be delivered at their destination to a servant or agent of the purchaser.

Material In Excess. Goods delivered in excess of amount called for in this order may be refused and returned at Vendor's expense.

Routing instructions within Canada. Shipments must be sent "collect" and as per the following instructions. Prepaid freight charges billed to Marine Atlantic Inc. by the vendor will be deducted from the vendor's invoice (unless approved in advance by the Marine Atlantic buyer whose name is shown as the MAI contact on the purchase order).

- Courier service up to 100 lbs (all areas): Sameday Courier
- LTL / TL shipments (all areas): Midland Transport Ltd.

Tagging instructions. When applicable, the vendor shall clearly show Marine Atlantic stock numbers on shipping/packing slips and invoices for each line item on the purchase order.

Change of part number. Should any change in the manufacturer's part number occur, the old part number as well as new part number, along with MAI's item code, should appear on the vendor's packing slip. If shipping items other than those specified on the purchase order (substitution), or exceeding the quantity on the purchase order, the vendor is to notify Marine Atlantic Inc. prior to effecting shipment of the material.

Specifications. If the order refers to plans or specifications, the same shall be deemed to be incorporated in and be a part of the contract, and any plans, blueprints, patterns, etc., furnished by the purchaser to the vendor shall not be published or disclosed by the vendor to any other person or corporation and shall be returned to the purchaser upon completion of the order.

Standards. MAI reserves the right to refuse acceptance of any or all electrical equipment or component part which has not been approved by the Canadian Standards Association (CSA), or ULC.

MAI further reserves the right to refuse acceptance of any or all equipment or component part that does not meet Classification Society, Transport Canada, or other applicable regulatory standard.

Vendor is to supply applicable certificates to accompany any material for which such certificates are required to confirm acceptability or to meet conditions imposed by a Classification Society, Transport Canada, or other regulatory agency.

Delivery of steel (shapes, plate, et cetera) shall be accompanied by mill certificates acceptable to satisfy Canadian Welding Bureau requirements.

Packing List. Packing Lists, preferably in duplicate, must accompany each shipment. MAI's purchase order number must appear on all packing lists.

Inspection. All goods delivered are subject to inspection and test within a reasonable time after delivery at the Purchaser's premises, and if unsatisfactory may be returned to the vendor at the Vendor's expense, notwithstanding immediate payment by the purchaser.

Sales tax. This purchase order is subject to the Canadian Harmonized Sales Tax (H.S.T.) and must be shown as separate line item(s) on your invoice. Vendors must provide their H.S.T. registration number on all invoices.

WHMIS. (Workplace Hazardous Materials Identification System) For those products requiring Material Safety Data Sheets (MSDS), please forward current data sheets directly to:

Safety Department
Marine Atlantic Inc.
355 Purves Street
North Sydney, N.S. B2A 3V2

Include one copy of the Material Safety Data Sheet(s) with each shipment.

Also in keeping with our safety requirements, any bulk product shipped via barrels, 20/25 litre pails, etc., will be refused at Receiving unless suitably identified as required by WHMIS. Suppliers upon being awarded a contract are also required to ensure that a full list the MSD Sheets for all products supplied to Marine Atlantic Inc. is filed with the Canadian Centre for Occupational Health and Safety (CCOHS) for inclusion on its cd-rom MSDS data base.

CCOHS
250 Main Street East
Hamilton, ON L8N 1H6
Phone: (905) 572-2981
Fax: (905) 572-2206

Warranty. All equipment must carry a minimum one-year warranty that commences when incoming inspection is passed, or at time of installation, whichever is later. Specific warranties in excess of one-year shall survive this clause. No other rights or remedies provided by law are waived.

Existing equipment repaired by the vendor / manufacturer shall carry a minimum warranty period of 90 days after receipt of equipment from the vendor / manufacturer. New equipment, and exchanged, rebuilt, or remanufactured equipment shall carry a warranty effective for a minimum of 12 months in service, or the manufacturers standard warranty period, whichever is greater.

Modification. No agreement or other understanding in any way modifying the conditions of this contract will be binding upon the purchaser unless made in writing and signed by MAI's authorized representative.

Place of Contract. The order and the contract resulting from its acceptance shall be construed according to the laws of the Province of Newfoundland and Labrador, and the federal laws of Canada applicable therein.

Force Majeure. The vendor shall not be liable for failure or delay in delivering the goods if such failure or delay is a direct result of any act of God, labour dispute or other cause beyond the control of the vendor provided that the vendor shall immediately notify MAI upon happening of any such cause. If such failure or delay in delivery shall continue for a period exceeding seven (7) days, MAI may cancel its order.

Materials Purchased outside Canada

Prices are in the currency of the vendor, unless otherwise indicated on the purchase order, and are firm through delivery for the quantity of material specified or for the term of the contract, whichever is greater. Price increases thereafter to be negotiated with Marine Atlantic Inc.

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Material In Excess. Goods delivered in excess of amount called for in this order may be refused and returned at Vendor's expense.

Routing instructions for shipments of foreign origin. Shipments must be sent "collect" and as per the following instructions – unless specific alternate instructions are provided on the purchase order or by the K&N representative identified below. All Marine Atlantic Inc. shipments originating from outside Canada must be forwarded through Kuehne and Nagel International Ltd. Please contact Peggy Rushton at the Halifax, Nova Scotia, office of Kuehne and Nagel for specific instructions, phone (902) 420-6500, or contact the nearest K & N location for information.

Documentation. Foreign suppliers should note that the Canadian Border Security Agency requires that all incoming shipments have, at minimum, the following documentation: commercial invoices, certification of country of origin, currency for valuation, plus a detailed description of the merchandise, its value, and number of pieces. Also in the case of shipments originating in the U.S., a NAFTA certificate is to be provided.

To ensure no unnecessary delays in your shipments please ensure these instructions are followed. If a vendor is uncertain of the specific documentation requirements, contact Kuehne and Nagel for additional information and assistance.

Note that Immigration Canada also will require specific documentation to allow entry of a field service engineer or technician into Canada to assist with or supervise installation of the material purchased by Marine Atlantic Inc. It is the responsibility of the service provider to determine the extent of any immigration documentation required and obtain such documents at its expense.

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Vendor is to supply applicable certificates to accompany any material for which such certificates are required to confirm acceptability or to meet conditions imposed by Classification Society, Transport Canada, or other regulatory agency.

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Sales tax. This purchase order is subject to the Canadian Harmonized Sales Tax (H.S.T.) For shipments originating outside Canada, Marine Atlantic Inc. will self-assess the tax based on the purchase price of the material in Canadian funds. Foreign sales taxes generally are not applicable to MAI's purchases.

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Purchase of Services – Originating within Canada

Prices are in Canadian funds, and unless stated otherwise on the purchase order, are estimates of the cost through completion of provision of the service(s) as specified on the purchase order. As such, the prices are subject to revision following negotiation of the final cost by MAI and the contractor.

Delivery lead-time as shown on the purchase order is the number of calendar days to begin the work following receipt of the Marine Atlantic Inc. purchase order by the vendor. Time of delivery shall be of the essence of this contract and failure of the vendor to deliver all or any part of the goods ordered at the time or times specified shall confer on the purchaser the right to cancel the contract at its option.

Routing instructions within Canada. Shipments of materials, supplies, tools, et cetera, required by the contractor for completion of the service(s) specified on the purchase order are the responsibility of the contractor. MAI accepts no liability for such items while in transit or following arrival on MAI's premises. All such shipments are to be addressed to the contractor in care of Marine Atlantic Inc. at the location where the service(s) are to be performed. All freight on such shipments shall be for the contractor's account, unless stated otherwise on the purchase order.

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Sales tax. This purchase order is subject to the Canadian Harmonized Sales Tax (H.S.T.) and must be shown as separate line item(s) on your invoice. Vendors must provide their H.S.T. registration number on all invoices.

Labour. If this purchase order involves the performance of labour or other services for the buyer on the premises of the vendor or any of its suppliers, the vendor agrees to pay and discharge all claims and demands asserted against the buyer by any of its employees or others for loss of life, personal injury or property damage arising out of, or resulting from, the performance of such labour or services.

If the purchase order involves the performance of labour or other services by the vendor on the premises of the buyer, the vendor agrees to pay and discharge all mechanics' and other liens against the buyer's premises, and all claims and demands asserted against the buyer by any of the buyer's or the vendor's employees or others for loss of life, personal injury or property damage arising out of, or resulting from the performance of such labour or services.

Independent Contractor. In accepting this order, vendor agrees that the vendor is an independent Contractor for all intents and purposes and that the vendor will protect and save harmless the purchaser from any claims or damages arising from injuries to Vendor's employees from any cause whatsoever while in or about the Purchaser's property and vendor further agrees to carry Worker's Compensation Insurance necessary under Provincial or Federal statutes. Vendor also agrees that none of the individuals whose compensation for services is paid by the vendor shall be deemed to be employed by the purchaser for the purpose of any tax or contribution levied by Federal or Provincial or Municipal law.

The Contractor, or vendor, agrees to indemnify and save the purchaser harmless from any and all judgements, costs, expenses, including solicitor's fees and claims on account of damage to property or personal injuries including death which may be sustained by himself, his employees, the purchaser or employees of the purchaser or third persons or their employees arising out of or in connection with the work don under this order. The Contractor or vendor must conform to the requirements of Federal, Provincial, and Municipal laws, by-laws, and regulations applicable to the performance of the work to be done under this order. It is further understood and agreed that the purchaser may withhold any and all payments due under this order until the Contractor or vendor shall furnish to him satisfactory evidence that all bills for labour, material, et cetera supplied to Contractor or vendor on this order have been paid in full.

Employees. Contractor shall employ, or cause to be employed, on or in connection with the performance of the work, only persons who are fit and skilled in the work assigned. The vendor shall comply with and shall cause its employees and all subcontractors to abide by, all worksite health, safety and security rules and regulations of the buyer, which may be set by the buyer (the "worksite rules and regulations") for any of its facilities from time to time, including but not limited to the buyer's dry ship policy. The vendor will be supplied with a copy of any of the buyer's worksite rules and regulations upon request.

The vendor, and/or any employee, and/or any subcontractor of the vendor who breaches any of the buyer's worksite rules and regulations may have its contract immediately terminated. The vendor, upon request of the buyer, shall cause to have terminated any contract the vendor may have with a subcontractor who breaches any of the buyer's worksite rules and regulations. Any decision as to the termination of vendor's contract or any subcontractor shall be made by the buyer, at the sole discretion of the buyer.

The vendor shall indemnify and save harmless the buyer from and against all liability that may result from the non-compliance of the vendor, or any of the vendor's employees or subcontractors, with any of the buyer's worksite rules and regulations.

Please note: the vendor/contractor is to issue a time sheet/work order when work is started and being performed. The vendor's representative is to have this document approved and coded by an authorized Marine Atlantic Inc. representative. A copy of this document should be attached to the vendor's invoice and forward to MAI's accounting department, located in Port aux Basques NL, for payment.

Insurances and Certificates. The vendor agrees that it will furnish upon the written request of the buyer certificates showing the following types of coverage by insurance carriers and in amounts all acceptable to the buyer to be in effect at the commencement of such labour or services: public liability, property damages, automobile, pressure vessel and such other specified coverage as conditions may require. The vendor shall also make all appropriate returns to and pay assessments levied by the workers compensation board, if applicable. The vendor will present, upon request by MAI, documentation to prove that the vendor's personnel are qualified to carry out the work covered by the purchase order in the jurisdiction in which Marine Atlantic Inc. requires the work to be performed.

Contractor's examination. Contractor will be held to have examined the specifications and the drawings relating to each work release or order and the site of the portion of the work covered by said work release or order before commencing any work under said work release or order, and to be satisfied as to the obstructions, the character and nature of said portion of the work, safety regulations and all other considerations which may affect said portion of the work in any manner. No additional compensation shall be paid to contractor, nor will any extension of time be granted for any of these considerations.

Force majeure. Neither party shall be liable for default or delay caused by any occurrence beyond its reasonable control, including but not limited to fires, strikes, accidents, acts of God, and delays of common carriers.

Warranties. Contractor warrants that all materials and equipment incorporated into the results of the work (except materials and equipment provided by owner) and every portion of the work shall conform to the terms of this order, the applicable work release and the specifications and the drawings, shall be of the best quality, shall be fit for the particular purpose for which they are required, and shall be free of all defects in materials and workmanship until the expiration a minimum of one (1) year after completion of the

portion of the work covered by the order or any work release to which such materials, equipment or portion of the work relates.

Title. Title to each item of material and equipment which is furnished for incorporation into the results of the work and which is not already owned by owner shall pass to owner upon the delivery of such items to the site of the work.

Permits. For legal compliance, the contractor shall obtain all necessary permits and licenses and shall comply with all laws, ordinances, and governmental rules and regulations (whether federal, provincial, or municipal) applicable to the work, to labour employed on the work, and to the preservation of the public health and safety. Contractor shall indemnify and save harmless owner and any party having an interest in a site where any portion of the work is being performed from and against all liability with respect to penalties and/or interest that may result from non-compliance with any such laws, ordinances, and governmental rules and regulations.

Liens. Contractor shall indemnify and save harmless owner and any party having an interest in a site where a portion of the work is to be performed from labourers', and mechanics' and materialmen's liens and all other liens and charges upon the work and/or upon the site of the work, arising out of work performed and/or materials or equipment furnished by contractor or by vendor or subcontractor hereunder.

Waste materials. Contractor shall not allow waste materials or rubbish to accumulate in or about the site of the work, but shall remove the same promptly, as the owner may direct.

Changes. Owner may, by giving written notice to contractor from time to time, make changes in the specification and/or the drawings, issue additional instructions, require additional work or direct the omission of work, without invalidating this order, and contractor shall comply with such notice. Owner shall pay contractor for the direct cost of any changes requested and in no event shall the owner pay for any indirect or impact costs related to changes.

Safety. Contractor shall comply with, and shall cause its employees and all subcontractors to abide by, all health, safety, and security rules and regulations in force at the site of the work. The Contractor's personnel will also be required/responsible to provide the necessary safety and personal protective equipment and apparel (PPE) to satisfy the safety regulations applicable to the work.

POV Searches. Contractors are requested to advise their employees and agents that MAI's security procedures provide for property ownership verification searches. Contractors' personnel should be aware that their vehicles, including the tools, equipment, and supplies contained therein, will be subject to random POV searches to gain access to and/or egress from MAI's premises.

Patents. Contractor shall defend or settle, at its sole expense, any and all suits, proceedings and claims for infringement of any patent arising in connection with facilities constructed or worked on hereunder, out of any materials, equipment or combination which is designed by contractor or is a standard article of sale of contractor, and shall indemnify and save harmless owner from and against all claims, damages, loss and expense on account of such infringement.

Waiver. No change in, addition to, to waiver of any of the terms and conditions of this order, any work release or any of the specifications or the drawings shall be binding upon either party, unless made in writing signed by an authorized representative of such party.

Insurance. Contractor shall, at its expense, procure and maintain workers compensation insurance to the extent required by law and contractor's bodily injury liability, and property damage liability insurance (including contractual liability covering the indemnity of a minimum of \$1 million of commercial general liability coverage. Contractor to supply owner written certificates establishing that the above insurance has been procured and is being maintained, which certificates shall provide that a written notice of cancellation shall be given to owner at least fifteen (15) days prior to the effective date of such cancellation. Insurance policy should have cross-liability clause indemnity, and physical damage responsibility. Contractor shall defend, indemnify and hold harmless owner. Its employees and agents, from and against all claims, liabilities, losses, damages and expenses, of every character whatsoever, for property damage and for bodily injury, sickness and/or disease, sustained by any person. If or where such property damage or injury, sickness, disease and/or death arose out of or was in any connected with the work, or with the performance of or failure to perform the work.

Performance. No assignment of the contract shall be made by the vendor without the written consent of the purchaser.

Subcontractors. Subcontractors that the contractor will use in performing the work under the contract must be identified in advance. The use of any subcontractor shall be authorized by MAI before the subcontractor will be allowed onto MAI's premises.

Termination. For the convenience of the owner, owner may terminate this order and all work releases at any time, whether or not contractor is in default, upon written notice to contractor. In such event, owner's only liability shall be to pay contractor within thirty (30) days after receipt of invoice all amounts, costs and charges earned under this order prior to such termination and all amounts paid by contractor and approved by owner in settling and discharging outstanding purchase orders and subcontracts, less all amounts previously paid to contractor hereunder and less the amount of all claims of owner against contractor in connection with this order or the work. In the event of such termination, contractor shall promptly deliver to owner copies of all subcontracts and purchase orders entered into by contractor in connection with the work and shall use its best efforts to settle, upon terms approved in writing by owners, all such purchase orders and subcontracts which owner requests contractor to settle, promptly after such termination. Contractor shall transfer and assign to owner all of said purchase orders and

subcontracts which are not so settled and discharged, all materials for which contractor has received, payment hereunder, and all drawings and documents furnished by owner to contractor in connection with the work contractor shall take such action as may be necessary to secure to owner the rights of contractor under all purchase orders and subcontracts assigned to owner hereunder.

Records and books of account. Contractor agrees to keep proper records and books of account showing all data necessary for determining the costs, amounts and charges earned under this order, in such detail as is requested by owner and such records and books of account shall be open to audit by representative of owner at all reasonable times during the performance of the work and for a period of eighteen (18) months after the expiration or sooner termination of this order.

Transportation charges. Please ensure that a copy of all transportation charges and accommodation charges (as allowed by the purchase order) such as airline tickets, car rentals, vehicle mileage charges, hotels and meals, etc., are attached to the invoice when forwarding the invoice to accounting.

Access. Access to and exit from Marine Atlantic Inc. vessels and property is subject to Marine Atlantic Inc.'s policies concerning security, including property ownership verification (POV). Such policies expressly provide for the power to search all personal effects and property of employees and/or agents of the contractor. Any refusal to comply with these policies may be considered by Marine Atlantic Inc. as just cause for contract termination without notice.

Insurance. Upon notification of award, the contractor is to contact:

Mr. Shawn Leamon
Vice President Finance
Marine Atlantic Inc.
10 Marine Drive
Port aux Basques NL A0M 1C0
Phone: (709) 695-4290

To ensure that proof of insurance is supplied prior to the commencement of contract.

Sales Tax. This purchase order is subject to the Canadian Harmonized Sales Tax (H.S.T.). Vendors within Canada should clearly show their registration number on all invoices and apply the HST as a separate line item. Foreign vendors should not apply sales tax as Marine Atlantic Inc. will self-assess the HST and foreign sales taxes usually do not apply to MAI's purchases.

WHMIS. If the contractor's personnel will be using any products considered controlled substances under WHMIS (Workplace Hazardous Material Identification System), Material Safety Data Sheets (MSDS) are required. Any controlled products are to be properly labelled to comply with WHMIS requirements.

Please forward current Material Safety Data Sheets (MSDS) directly to:

Safety Department

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355 Purves Street

North Sydney NS B2A 3V2

Include one copy of applicable MSDS with each shipment. Suppliers upon being awarded a contract are also required to list the MSDS for all products supplied to Marine Atlantic Inc. with the Canadian Centre for Occupational Health and Safety (CCOHS) for inclusion on its cd-rom MSDS data base.

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The Contractor, or vendor, agrees to indemnify and save the purchaser harmless from any and all judgements, costs, expenses, including solicitor's fees and claims on account of damage to property or personal injuries including death which may be sustained by himself, his employees, the purchaser or employees of the purchaser or third persons or their employees arising out of or in connection with the work don under this order. The Contractor or vendor must conform to the requirements of Federal, Provincial, and

Municipal laws, by-laws, and regulations applicable to the performance of the work to be done under this order. It is further understood and agreed that the purchaser may withhold any and all payments due under this order until the Contractor or vendor shall furnish to him satisfactory evidence that all bills for labour, material, et cetera supplied to Contractor or vendor on this order have been paid in full.

Employees. Contractor shall employ, or cause to be employed, on or in connection with the performance of the work, only persons who are fit and skilled in the work assigned. The vendor shall comply with and shall cause its employees and all subcontractors to abide by, all worksite health, safety and security rules and regulations of the buyer, which may be set by the buyer (the "worksite rules and regulations") for any of its facilities from time to time, including but not limited to the buyer's dry ship policy. The vendor will be supplied with a copy of any of the buyer's worksite rules and regulations upon request.

The vendor, and/or any employee, and/or any subcontractor of the vendor who breaches any of the buyer's worksite rules and regulations may have its contract immediately terminated. The vendor, upon request of the buyer, shall cause to have terminated any contract the vendor may have with a subcontractor who breaches any of the buyer's worksite rules and regulations. Any decision as to the termination of vendor's contract or any subcontractor shall be made by the buyer, at the sole discretion of the buyer.

The vendor shall indemnify and save harmless the buyer from and against all liability that may result from the non-compliance of the vendor, or any of the vendor's employees or subcontractors, with any of the buyer's worksite rules and regulations.

Please note: the vendor/contractor is to issue a time sheet/work order when work is started and being performed. The vendor's representative is to have this document approved and coded by an authorized Marine Atlantic Inc. representative. A copy of this document should be attached to the vendor's invoice and forward to MAI's accounting department, located in Port aux Basques NL, for payment.

Insurances and Certificates. The vendor agrees that it will furnish upon the written request of the buyer certificates showing the following types of coverage by insurance carriers and in amounts all acceptable to the buyer to be in effect at the commencement of such labour or services: public liability, property damages, automobile, pressure vessel and such other specified coverage as conditions may require. The vendor shall also make all appropriate returns to and pay assessments levied by the workers compensation board, if applicable. The vendor will present, upon request by MAI, documentation to prove that the vendor's personnel are qualified to carry out the work covered by the purchase order in the jurisdiction in which Marine Atlantic Inc. requires the work to be performed.

Contractor's examination. Contractor will be held to have examined the specifications and the drawings relating to each work release or order and the site of the portion of the work covered by said work release or order before commencing any work under said work release or order, and to be satisfied as to the obstructions, the character and nature

of said portion of the work, safety regulations and all other considerations which may affect said portion of the work in any manner. No additional compensation shall be paid to contractor, nor will any extension of time be granted for any of these considerations.

Warranties. Contractor warrants that all materials and equipment incorporated into the results of the work (except materials and equipment provided by owner) and every portion of the work shall conform to the terms of this order, the applicable work release and the specifications and the drawings, shall be of the best quality, shall be fit for the particular purpose for which they are required, and shall be free of all defects in materials and workmanship until the expiration a minimum of one (1) year after completion of the portion of the work covered by the order or any work release to which such materials, equipment or portion of the work relates.

Title. Title to each item of material and equipment which is furnished for incorporation into the results of the work and which is not already owned by owner shall pass to owner upon the delivery of such items to the site of the work.

Permits. For legal compliance, the contractor shall obtain all necessary permits and licenses and shall comply with all laws, ordinances, and governmental rules and regulations (whether federal, provincial, or municipal) applicable to the work, to labour employed on the work, and to the preservation of the public health and safety. Contractor shall indemnify and save harmless owner and any party having an interest in a site where any portion of the work is being performed from and against all liability with respect to penalties and/or interest that may result from non-compliance with any such laws, ordinances, and governmental rules and regulations.

Liens. Contractor shall indemnify and save harmless owner and any party having an interest in a site where a portion of the work is to be performed from laborers', and mechanics' and materialmen's liens and all other liens and charges upon the work and/or upon the site of the work, arising out of work performed and/or materials or equipment furnished by contractor or by vendor or subcontractor hereunder.

Waste materials. Contractor shall not allow waste materials or rubbish to accumulate in or about the site of the work, but shall remove the same promptly, as the owner may direct.

Changes. Owner may, by giving written notice to contractor from time to time, make changes in the specification and/or the drawings, issue additional instructions, require additional work or direct the omission of work, without invalidating this order, and contractor shall comply with such notice. Owner shall pay contractor for the direct cost of any changes requested and in no event shall the owner pay for any indirect or impact costs related to changes.

Safety. Contractor shall comply with, and shall cause its employees and all subcontractors to abide by, all health, safety, and security rules and regulations in force at the site of the work. The Contractor's personnel will also be required/responsible to

provide the necessary safety and personal protective equipment and apparel (PPE) to satisfy the safety regulations applicable to the work.

POV Searches. Contractors are requested to advise their employees and agents that MAI's security procedures provide for property ownership verification searches. Contractors' personnel should be aware that their vehicles, including the tools, equipment, and supplies contained therein, will be subject to random POV searches to gain access to and/or egress from MAI's premises.

Patents. Contractor shall defend or settle, at its sole expense, any and all suits, proceedings and claims for infringement of any patent arising in connection with facilities constructed or worked on hereunder, out of any materials, equipment or combination which is designed by contractor or is a standard article of sale of contractor, and shall indemnify and save harmless owner from and against all claims, damages, loss and expense on account of such infringement.

Waiver. No change in, addition to, to waiver of any of the terms and conditions of this order, any work release or any of the specifications or the drawings shall be binding upon either party, unless made in writing signed by an authorized representative of such party.

Insurance. Contractor shall, at its expense, procure and maintain workers compensation insurance to the extent required by law and contractor's bodily injury liability, and property damage liability insurance (including contractual liability covering the indemnity of a minimum of \$1 million of commercial general liability coverage. Contractor to supply owner written certificates establishing that the above insurance has been procured and is being maintained, which certificates shall provide that a written notice of cancellation shall be given to owner at least fifteen (15) days prior to the effective date of such cancellation. Insurance policy should have cross-liability clause indemnity, and physical damage responsibility. Contractor shall defend, indemnify and hold harmless owner. Its employees and agents, from and against all claims, liabilities, losses, damages and expenses, of every character whatsoever, for property damage and for bodily injury, sickness and/or disease, sustained by any person. If or where such property damage or injury, sickness, disease and/or death arose out of or was in any connected with the work, or with the performance of or failure to perform the work.

Performance. No assignment of the contract shall be made by the vendor without the written consent of the purchaser.

Subcontractors. Subcontractors that the contractor will use in performing the work under the contract must be identified in advance. The use of any subcontractor shall be authorized by MAI before the subcontractor will be allowed onto MAI's premises.

Termination. For the convenience of the owner, owner may terminate this order and all work releases at any time, whether or not contractor is in default, upon written notice to contractor. In such event, owner's only liability shall be to pay contractor within thirty (30) days after receipt of invoice all amounts, costs and charges earned under this order

prior to such termination and all amounts paid by contractor and approved by owner in settling and discharging outstanding purchase orders and subcontracts, less all amounts previously paid to contractor hereunder and less the amount of all claims of owner against contractor in connection with this order or the work. In the event of such termination, contractor shall promptly deliver to owner copies of all subcontracts and purchase orders entered into by contractor in connection with the work and shall use its best efforts to settle, upon terms approved in writing by owners, all such purchase orders and subcontracts which owner requests contractor to settle, promptly after such termination. Contractor shall transfer and assign to owner all of said purchase orders and subcontracts which are not so settled and discharged, all materials for which contractor has received, payment hereunder, and all drawings and documents furnished by owner to contractor in connection with the work contractor shall take such action as may be necessary to secure to owner the rights of contractor under all purchase orders and subcontracts assigned to owner hereunder.

Records and books of account. Contractor agrees to keep proper records and books of account showing all data necessary for determining the costs, amounts and charges earned under this order, in such detail as is requested by owner and such records and books of account shall be open to audit by representative of owner at all reasonable times during the performance of the work and for a period of eighteen (18) months after the expiration or sooner termination of this order.

Transportation charges. Please ensure that a copy of all transportation charges and accommodation charges (as allowed by the purchase order) such as airline tickets, car rentals, vehicle mileage charges, hotels and meals, etc., are attached to the invoice when forwarding the invoice to accounting.

Access. Access to and exit from Marine Atlantic Inc. vessels and property is subject to Marine Atlantic Inc.'s policies concerning security, including property ownership verification (POV). Such policies expressly provide for the power to search all personal effects and property of employees and/or agents of the contractor. Any refusal to comply with these policies may be considered by Marine Atlantic Inc. as just cause for contract termination without notice.

Insurance. Upon notification of award, the contractor is to contact:

Mr. Shawn Leamon
Vice President Finance
Marine Atlantic Inc.
10 Marine Drive
Port aux Basques NL A0M 1C0
Phone: (709) 695-4290

To ensure that proof of insurance is supplied prior to the commencement of contract.

Sales Tax. This purchase order is subject to the Canadian Harmonized Sales Tax (H.S.T.). Vendors within Canada should clearly show their registration number on all

invoices and apply the HST as a separate line item. Foreign vendors should not apply sales tax as Marine Atlantic Inc. will self-assess the HST and foreign sales taxes usually do not apply to MAI's purchases.

WHMIS. If the contractor's personnel will be using any products considered controlled substances under WHMIS (Workplace Hazardous Material Identification System), Material Safety Data Sheets (MSDS) are required. Any controlled products are to be properly labelled to comply with WHMIS requirements.

Please forward current Material Safety Data Sheets (MSDS) directly to:

Safety Department
Marine Atlantic Inc.
355 Purves Street
North Sydney NS B2A 3V2

Include one copy of applicable MSDS with each shipment. Suppliers upon being awarded a contract are also required to list the MSDS for all products supplied to Marine Atlantic Inc. with the Canadian Centre for Occupational Health and Safety (CCOHS) for inclusion on its cd-rom MSDS data base.

CCOHS
250 Main Street East
Hamilton ON L8N 1H6
Phone: (905) 572-2981
Fax: (905) 572-2206

Modification. No agreement or other understanding in any way modifying the conditions of this contract will be binding upon the purchaser unless made in writing and signed by MAI's authorized representative.

Place of Contract. The order and the contract resulting from its acceptance shall be construed according to the laws of the Province of Newfoundland and Labrador, and the federal laws of Canada applicable therein.

Force majeure. Neither party shall be liable for default or delay caused by any occurrence beyond its reasonable control, including but not limited to fires, strikes, accidents, acts of God, and delays of common carriers.