

GP-1 GENERAL PURCHASE ORDER TERMS AND CONDITIONS

GENERAL

- A. Peace River Hydro Partners ("PRHP") has entered into a contract with British Columbia Hydro and Power Authority ("BC Hydro") dated December 18, 2015 (such contract, as amended from time to time, the "**Main Contract**") for the Main Civil Works at Site C, located near Fort St John, BC (the "**Project**").
- B. The Supplier has agreed with PRHP to supply certain goods, services, materials, equipment or components in accordance with this Purchase Order.

CLAUSE 1 - WORK TO BE DONE

The Supplier and PRHP agree that the goods, services, materials, equipment or components to be supplied by the Supplier are listed in Appendix A (the "**Purchase Order Work**"). The Supplier shall supply the Purchase Order Work in accordance with (i) this Purchase Order, (ii) all applicable laws, (iii) all applicable permits, approvals and licences, and (iii) the standards, practices, methods and procedures to a good professional and commercial standard, conforming to laws and exercising that degree of skill, care, diligence, prudence and foresight which would reasonably and ordinarily be expected from a qualified, skilled and experienced person engaged in a similar type of undertaking under the same or similar circumstances ("**Good Industry Practice**"). The Purchase Order Work supplied or provided by the Supplier pursuant to this Purchase Order shall meet the requirements specified in Appendix A. If more than one standard, including building codes, requirements of an authority having jurisdiction, work practices and procedures, and specifications, applies to the Purchase Order Work, then the strictest of such will apply.

CLAUSE 2 - REPRESENTATIONS, WARRANTIES AND COVENANTS

- (a) Corporate Representations: The Supplier hereby covenants with, and represents and warrants to PRHP that, as of the date of this Purchase Order, the following representations and warranties are true: (i) that unless otherwise disclosed to PRHP in writing before the date of this Purchase Order and agreed by PRHP in writing, the Supplier's performance of its obligations under this Purchase Order will not create any conflict of interest in relation to any services or work provided by the Supplier to any other party prior to, during or subsequent to this Purchase Order, (ii) it is an entity duly created and organized, validly subsisting and in good standing under the laws of the jurisdiction of its creation and is validly subsisting or registered and in good standing under the laws of the jurisdiction in which the Purchase Order Work will be supplied, and, if different, where the Project site is located, and has all requisite power and authority to execute, deliver and perform its obligations under this Purchase Order, and (iii) this Purchase Order has been duly authorized, executed, and delivered by the Supplier and constitutes a legal, valid, and binding obligation of the Supplier, enforceable against the Supplier in accordance with its terms.
- (b) Other Representations: During the term of this Purchase Order, the Supplier represents and warrants to PRHP on an ongoing basis, and acknowledges and agrees that PRHP is relying on such representations and warranties, as follows (i) it has the necessary qualified personnel, with the skills and expertise, to provide the Purchase Order Work and who are experienced, ready and willing to provide the Purchase Order Work in accordance with the terms and provisions of this Purchase Order, (ii) it has exercised and shall continue to exercise the skill and care required by Clause 1 (*Work to be Done*) in relation to the provision of the Purchase Order Work, (iii) all information supplied by the Supplier for the purposes of this Purchase Order, the Purchase Order Work and otherwise in relation to the Project has been (and shall continue to be) provided in good faith and is true, correct, complete and not misleading, and (iv) goods or materials generally known in the industry to be deleterious or otherwise not in accordance with Good Industry Practice have not been and will not be specified or selected by it, or anyone acting on its behalf, for use on the Project or otherwise in connection with the Purchase Order Work.
- (c) Covenants: The Supplier covenants to and with PRHP as follows: (i) it has or will obtain all required permits, including all permits, licenses and authorizations, necessary to carry on its business and to be obtained by it to supply and provide the Purchase Order Work, (ii) the Supplier, its employees and agents and its Subcontractors and their employees and agents are and will be fully knowledgeable of and comply with all laws.

CLAUSE 3 - DELIVERY

- (a) Delivery: The Supplier agrees to deliver the Purchase Order Work in accordance with the delivery schedule attached to this Purchase Order at Appendix B (the "Delivery Schedule") to the location specified in Appendix B (the "Delivery Location"). PRHP may (in its sole and absolute discretion) adjust the Delivery Schedule or Delivery Location following consultation with the Supplier. Following such adjustment, PRHP shall promptly notify the Supplier of such adjustment and Appendix B shall be deemed to be amended accordingly. The Supplier shall promptly comply with such adjustment as instructed by PRHP, and shall take such actions as PRHP deems necessary to maintain the progress required by the Supplier. Time is of the essence in this Purchase Order and shall remain of the essence if and when the Delivery Schedule is adjusted in accordance with this Purchase Order without any further statement to that effect.
- (b) Incoterms 2010: Delivery shall be construed in accordance with the Incoterms 2010 (published by the International Chamber of Commerce) ("Incoterms 2010"). Unless otherwise specified in this Purchase Order, the applicable Incoterms 2010 shall be DDP (delivered duty paid) to the Delivery Location.
- (c) Title: Title to the Purchase Order Works or part thereof shall be vested in PRHP when the Purchase Order Works are delivered to the Delivery Location in accordance with Clause 3(a). Any transfer of title to the Purchase Order Works shall be without prejudice to PRHP's right to refuse or return the Purchase Order Works.
- (d) Risk of Loss: Notwithstanding Clause 3(b) and Clause 3(c), transfer, care, custody, control and risk of loss of the Purchase Order Works remains with the Supplier until PRHP takes physical possession and accepts (in writing) the delivery of the Purchase Order Works at the Delivery Location.
- (e) Refusal of Purchase Order Works: In the event any Purchase Order Works are (1) delivered in error, (2) rejected as not being in accordance with this Purchase Order (including any specifications specified herein), or (3) an overage in excess of trade practice, PRHP shall have the right to return such Purchase Order Works at the Supplier's expense and risk.

CLAUSE 4 - PAYMENT

- (a) Purchase Order Price: Subject to the terms and conditions herein set out, PRHP shall pay the Supplier the amount specified on the cover sheet to this Purchase Order (the "Purchase Order Price") and any rate or discount sheets incorporated therein for the supply and provision of the Purchase Order Work and performance, observance and discharge of all other obligations and liabilities of the Supplier under this Purchase Order. The Purchase Order Price excludes all applicable taxes, including without limitation all federal and provincial sales and use taxes. The Purchase Order Price is fixed and subject to adjustment only pursuant to Clause 10 (*Change*) and Clause 20 (*Estimated Quantities*). The Purchase Order Price is in Canadian dollars. PRHP shall not be liable for any foreign currency exchange rate risk suffered or incurred by the Supplier.
- (b) Payment: The Supplier will submit its invoice for payment following delivery of the Purchase Order Work, such invoice to be in a format as PRHP may require with such supporting documentation as PRHP may require. The time for payment shall not commence before Buyer's receipt, actual or scheduled whichever is later, of items at their destination or before performance by Seller in accordance with the requirements of the Purchase Order Work. PRHP will pay the Supplier the amount of such invoice no later than 45 days after PRHP approves such invoice.
- (c)
- (d) Set-off: PRHP shall have the right to recover from the Supplier by offset or otherwise the price of any items returned to the Supplier under the terms of this order.
- (e) Payment of Accounts: The Supplier shall promptly and satisfactorily settle and pay for, among other things, all accounts, claims or liens with all of its Subcontractors in respect of the Purchase Order Work. If, following two (2) days written notice from PRHP, the Supplier has not settled and paid such accounts, claims or liens, the Supplier fails or refuses to settle or pay same, PRHP shall have the right (but not the obligation) to settle or pay such accounts, claims and/or liens for the account of the Supplier and the receipt issued to PRHP under this Purchase Order with respect to such accounts, claims or liens shall be conclusive evidence as to such payments and the amount thereof. PRHP shall have the right to set-off, withhold, back-charge or recover such amounts paid by PRHP against monies otherwise due and owing, or to become due and owing, to the Supplier regardless of the interests or claims of other parties.

CLAUSE 5 - INSPECTION AND TESTS

- (a) Approvals: No approval, consent, review, inspection or payment made or given by or on behalf of PRHP or BC Hydro relieves the Supplier from, or diminishes, the obligations and liabilities of the Supplier under this Purchase Order, and the giving of any approval shall not constitute a waiver or release by PRHP of any duty or liability owed to PRHP or of any indemnity given by the Supplier to PRHP pursuant to this Purchase Order. The Supplier agrees that PRHP has no obligation to identify, observe or warn of any defect or deficiency in the Purchase Order Work.
- (b) Inspection Certificates and Reports: In the event the Supplier is required to have the Purchase Order Work inspected or tested in accordance with the applicable laws or otherwise, the Supplier shall provide PRHP with copies of any certificates and reports issued in respect of such inspections or tests.
- (c) BC Hydro and PRHP shall have full access to the Purchase Order Work at any time for the purposes of inspection and audit, in each case, at all applicable locations, including the premises of any Subcontractors. The Supplier shall cooperate in providing or arranging for such access and shall provide facilities for such access. The Supplier shall include a provision substantially similar to this provision in each subcontract or other agreement with a Subcontractor providing any portion of the Purchase Order Work.
- (d) If inspected or tested Purchase Order Work is found to be in accordance with the requirements of this Purchase Order and any third party standards, as applicable, the party requiring such inspection or test shall pay the costs of examination, testing, and replacement. If such Purchase Order Work is found to be not in accordance with the requirements of this Purchase Order and any third party standards, as applicable, the Supplier shall pay the costs of such examination, testing, and replacement.

CLAUSE 6 - MAINTENANCE MANUALS, ETC.

When specified on the face of the Purchase Order or in Appendix A, the Supplier shall supply all drawings (including Shop Drawings), maintenance manuals, instructions, brochures, certificates, and other similar documents, as required, in a manner and at a time stipulated by PRHP but, in any event, not later than the Supplier's final payment invoice or two weeks prior to delivery of the Purchase Order Work, whichever is earlier.

CLAUSE 7 - SAFETY

- (a) The Supplier agrees to respect and comply with all safety procedures on the Project, including BC Hydro's and PRHP's safety policies, and all applicable safety legislation.
- (b) The Supplier shall provide PRHP with copies of Material Safety Data Sheets ("MSDS") at least fifteen (15) days prior to bringing any hazardous materials onto the Project site. A copy of the MSDS shall be included in each manifest for shipment of the Purchase Order Work to the Delivery Location or any other specified location and shall ensure that:
- all environmentally hazardous materials brought onto the Project site shall be labeled in accordance with the applicable occupational health and safety legislation – including the Occupational Health and Safety Regulation, B.C. Reg. 297/97;
 - all hazardous materials provided are identified in the prescribed manner and in full compliance with the applicable occupational health and safety legislation;
 - current material safety data sheets are provided and available in English and such other languages as may be prescribed. MSDS expire three years after the date of its publication, and therefore any MSDS provided shall be current.
- (c) The Supplier is responsible for the removal from the Project site and the safe and legal disposal of any unused hazardous materials that the Supplier has introduced to or created on the Project site.

CLAUSE 8 - SUPPLIER INDEMNITY

The Supplier shall be liable to, and shall defend, indemnify and hold harmless PRHP, its partners and their directors, officers, employees and affiliates (the "**Indemnified Parties**") from and against all demands, judgments, awards, costs, expenses (including reasonable legal fees), losses, liabilities and damages and causes of action ("**Claims**"), howsoever arising out of or in any way related to the Purchase Order Work or

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this Purchase Order to the extent caused by or arising out of (i) the performance of this Purchase Order including, without limitation, any failure of the Supplier to perform or observe its obligations under this Purchase Order, (ii) any act or omission, whether or not negligent, of the Supplier, its Subcontractors, or their respective directors, officers, agents or employees, in relation to the Project, except only to the extent caused solely by the wrongful act or neglect of PRHP, (iii) any willful misconduct or fraud of the Supplier or any of its Subcontractors, (iv) bodily injury, sickness, disease or death of any person or damage to or loss of any real or personal property in connection with the supply and provision of the Purchase Order Work or otherwise in connection with any of its obligations under this Purchase Order, (v) any claim made by employees, Subcontractors or agents of the Supplier, or (vi) any other matter arising from the conduct, actions or inactions (including any errors, omissions or negligent acts, willful misconduct, or fraudulent acts, or breach of contract) of the Supplier, its Subcontractors, or their respective employees, agents and other persons for whom they are responsible, and for which PRHP is required to indemnify or reimburse BC Hydro under the Main Contract. The Supplier's indemnity obligations under this Clause shall survive the expiration or any earlier termination of this Purchase Order.

CLAUSE 9 - WARRANTY

- (a) **Warranty:** (a) Supplier warrants that all Purchase Order Work delivered hereunder, including services, will be supplied in accordance with this Purchase Order, free from defects in material and workmanship and will conform to applicable specifications and drawings and, to the extent such items are not manufactured pursuant to detailed designs furnished by PRHP, that all items will be free from defects in design and suitable for the intended purpose.
- (b) (b) In addition to other remedies which may be available at law or in equity, PRHP, at its option, may return to Supplier any nonconforming or defective items and may, at PRHP's option, require correction or replacement of the item, all at Supplier's risk and expense. If PRHP does not require correction or replacement of nonconforming or defective items, Supplier shall repay such portion of the purchase price or such additional amount as is equitable under the circumstances. These rights of PRHP are in addition to but shall not be limited by Supplier's standard warranty during its warranty period ("Warranty Period") or any statutory or other warranty implied or imposed by law. Inspection and acceptance of items by PRHP or BC Hydro, or payment therefor, shall not relieve Seller of its responsibilities hereunder.
- (c) **Quality of Equipment and Materials:** The Supplier warrants that any Purchase Order Works furnished by or on behalf of the Supplier will be (i) new and of recent manufacture, (ii) first quality, (iii) where such equipment and materials are not specified in this Purchase Order, fit for their intended purposes, (iv) free from design defects, faults and faulty operation, including latent defects, (v) compliant with this Purchase Order, (vi) compliant with all laws and required permits, approvals and licences, (vii) at the date of delivery such Purchase Order Work shall be (and shall continue to be) free and clear of all liens, encumbrances, any adverse claims, demands or other interests.
- (d) **Assignment:** The Supplier acknowledges and agrees that the warranty provided hereunder shall be capable of assignment by PRHP to BC Hydro, and following receipt of written notice from PRHP, the Supplier agrees to make, do, execute or cause or permit to be made, done or executed all such further and other lawful acts, deeds, things, devices, conveyances and assurances in law whatsoever as may be required to enable PRHP to assign to BC Hydro the benefit of such warranty.
- (e) **Defects:** If defects are discovered in the Purchase Order Work during the Warranty Period, including in any equipment and materials incorporated into the Purchase Order Work, then the Supplier will correct the defect or replace the equipment and materials promptly upon notification or instruction by PRHP. The Supplier will be responsible for all costs associated with such repairs and replacements and will indemnify and save harmless PRHP from any resulting damage. Other work removed or damaged due to such defects, or in making good such defects will also be made good by the Supplier without additional payment by PRHP.
- (f) **Survival:** This Clause shall survive the expiry or any earlier termination of this Purchase Order.

CLAUSE 10 - CHANGE

PRHP may, at its absolute discretion, instruct the Supplier (in writing) to change, amend or modify the Purchase Order Work. The Supplier shall comply with such instruction and carry out such change, amendment or modification. No work or changes in this Purchase Order or work extra to the Purchase Order Work shall be undertaken or commenced without prior written direction or authorization from PRHP. Except in the case of an emergency, such written notice must be given at least two (2) working days before the Purchase Order Work is supplied.

CLAUSE 11 - INSURANCE

- (a) Without limiting any of the Supplier's obligations or liabilities under this Purchase Order and prior to the date of this Purchase Order, the Supplier will, at its sole cost and expense, obtain and maintain, or cause to be obtained and maintained during the term of this Purchase Order, policies in respect of the following insurances:
 - (i) Workers' Compensation coverage in accordance with the *Workers Compensation Act* (British Columbia);
 - (ii) Personal Optional Protection coverage for all employees are not covered by the *Workers Compensation Act* (British Columbia);
 - (iii) Commercial General Liability Insurance with respect to Products and Completed Operations Liability; Automobile Liability Insurance for owned, non-owned, leased, operated or licensed vehicles used in the performance of the Purchase Order Work; and
 - (iv) such additional coverage as may be required by law or by PRHP,
 and, in each case, such policies to be in form and substance satisfactory to PRHP (acting reasonably). The Supplier will obtain and maintain the insurance policies described above with financially sound insurers acceptable to PRHP (acting reasonably) and where required by statute, licensed to insure such risk in British Columbia. Unless otherwise stipulated, the duration of the insurance policies shall be from the date of this Purchase Order until the delivery and acceptance of all Purchase Order Work.
- (b) On the date of this Purchase Order and when requested by PRHP, the Supplier shall deliver to PRHP certificates of insurance for the policies obtained by the Supplier. The Supplier shall provide certified copies of insurance policies within 10 days of any request for such policies by PRHP. The Supplier agrees that PRHP shall be entitled to provide to such documentation to BC Hydro.

CLAUSE 12 - PERMITS, CONSENTS AND FEES

The Supplier shall be responsible for the procurement of permits, permissions, consents, approvals, licences, inspections, certificates, fees and all other agreements from any third parties which are necessary for the performance of its obligations under this Purchase Order, including the supply and provision of the Purchase Order Work. The Purchase Order Price includes the cost of procuring such permits, permissions, consents, approvals, licences, inspections, certificates and third party agreements.

CLAUSE 13 - LIENS

The Supplier shall give at least 10 days prior written notice to PRHP regarding its intention to place a lien, charge or other encumbrance on the Project, the Project site or the Purchase Order Works covered by this Purchase Order. In the event that any lien, charge or other encumbrance is attached to the Project, the Project site or the Purchase Order Work in connection with this Purchase Order, PRHP may (but is not obliged to) pay and discharge such lien, charge or encumbrance, and the cost of such discharge (including legal fees) shall be borne by the Supplier. The Supplier shall include in any subcontract or agreement with a Subcontractor a provision substantially similar to this Clause 13 (*Liens*). This Clause shall survive the expiry or any earlier termination of this Purchase Order.

CLAUSE 14 - CLAIMS

- (a) If the Supplier intends to make a claim for an increase to the Purchase Order Price or an extension to the Delivery Schedule, or if PRHP intends to make a claim against the Supplier for a credit to the Purchase Order Price, the party making a claim shall promptly notify the other party (in writing) providing details of its claim.
- (b) Upon commencement of the event or circumstances giving rise to the claim, the party intending to make a claim shall:
 - (i) take all reasonable measures to minimize or avoid any loss or damage which may be incurred as a result of such event or circumstances and keep such records as may be necessary to fully support the claim and afford reasonable access to all books, records, receipts and vouchers to the other party until one year from the date of the early termination or expiry of this Purchase Order;
 - (ii) notify the other party of such claim providing a detailed account of the amount claimed and the grounds upon which the claim is based, and such details shall be submitted as soon as possible after the occurrence of the circumstance giving rise to the claim, and within a time period that would permit the other party to take steps to mitigate any adverse impact of the event or circumstances, and in any event, no later than seven (7) days after the occurrence of the event or circumstances that gave rise to the claim, or the party making such claim become aware of such occurrence.
- (c) If the events or circumstances giving rise to the claim has a continuing effect, the notice provided by the affected party shall constitute an interim notice and the affected party shall, at such intervals as the other party may reasonably require, submit further interim accounts giving the accumulated amount of the claim and any further grounds upon which it is based.
- (d) The affected party shall submit a final notice following the cessation of the effects of the events or circumstances giving rise to such claim. The other party shall reply by notice in writing within ten (10) working days after receipt of the claim, or such other time period as may be agreed by the parties.
- (e) Except as expressly set out in this Purchase Order, the Supplier shall not be entitled to any extension of time or compensation for the provision or supply of the Purchase Order Work. For greater certainty, the Supplier shall not be entitled to an extension to its time to provide or supply the Purchase Order Work or for any of its costs incurred as a result of:
 - (i) any delay to the provision or performance of the Purchase Order Work caused by an act or omission of the Supplier, any of its Subcontractors or of a person for whom the Supplier is in law responsible;
 - (ii) any work stoppage, strike, lock-out, picket or other labour dispute by any personnel engaged by the Supplier or its Subcontractors, including any financial and jurisdictional disputes involving unionized and non-unionized workers.
- (f) The Supplier hereby waives any claim for an extension of time in relation to the provision or supply of the Purchase Order Works unless written notice of such claim has been given to PRHP upon the occurrence of the event or circumstances giving rise to a delay in accordance with Clause 14(b)(ii) **provided that** in the case of a continuing cause of delay, the Supplier shall only be required to make one claim immediately following the commencement of such event or circumstances in accordance with Clause 14(c).
- (g) Pending the determination, agreement or resolution of the Supplier's entitlement to any payment, extension of time or grant of relief, the Supplier shall continue to perform its obligations under this Purchase Order and shall take no steps to enforce any right under this Purchase Order whether by set-off against sums otherwise payable to PRHP, by commencing proceedings of any kind, by counterclaiming in any proceedings or otherwise howsoever, to the extent that, pursuant to the terms of this Purchase Order, such right depends upon or is related to the relevant agreement or determination of such payment, extension of time or grant of relief.
- (h) The Supplier hereby waives any claim for compensation for costs incurred as the result of any delay in the Project or provision or supply of the Purchase Order Work except where such delay is caused by an intentional act of PRHP.
- (i) This Clause shall survive the expiry or any earlier termination of this Purchase Order.

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CLAUSE 15 - GOVERNING LAW

This Purchase Order shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without regard to any laws or choice of law rules that might direct the application of the laws of another jurisdiction. The parties expressly agree that the *United Nations Convention on Contracts for the International Sale of Goods* does not and will not apply to this Purchase Order. This Clause shall survive the expiry or any earlier termination of this Purchase Order.

CLAUSE 16 - PRHP'S RIGHT TO TERMINATE PURCHASE ORDER

- (a) This Purchase Order shall automatically terminate if the Main Contract is terminated. PRHP shall promptly give notice (in writing) to the Supplier if the Main Contract is terminated.
- (b) Without prejudice to any other right, at any time PRHP may terminate this Purchase Order for its convenience, in whole or in part, by providing five (5) days' written notice to the Supplier.
- (c) Without prejudice to any other right, PRHP may elect to immediately terminate this Purchase Order if (i) the Supplier is adjudged bankrupt, or makes a general assignment for the benefit of creditors due to insolvency or if a receiver is appointed due to insolvency, or (ii) upon rejection by BC Hydro of the Supplier as a subcontractor in relation to the Project, in each case, by giving the Supplier (or, if applicable, the receiver or trustee) written notice. This Purchase Order will terminate on the date of such notice.
- (d) Without prejudice to any other right, PRHP may elect to terminate this Purchase Order by giving five (5) working days written notice to the Supplier if:
 - (i) the Supplier fails or neglects to undertake the performance of its obligations under this Purchase Order properly and expeditiously;
 - (ii) the Supplier breaches any of its obligations under this Purchase Order, or otherwise fails to comply with the requirements of this Purchase Order to a substantial degree;
 - (iii) the Supplier fails, on reasonable notice from PRHP, to supply enough proper workers or supervision;
 - (iv) the Supplier does not pay promptly its employees or Subcontractors;
 - (v) the Supplier fails to pay to PRHP any undisputed amounts due and owing pursuant to this Purchase Order;
 - (vi) the Supplier disregards any applicable law affecting the Purchase Order Work or otherwise knowingly fails to observe or violates any provision of this Purchase Order and, if the same can be remedied, fails to remedy the same within five (5) days after receipt of a notice from PRHP;
 - (vii) fails to immediately comply with any instruction, direction or authorization given by PRHP to the Supplier pursuant to Clause 10 (*Change*);
 - (viii) the Supplier subcontracts any portion of the Purchase Order Work or makes any assignment of this Purchase Order other than as expressly permitted pursuant to this Purchase Order;
 - (ix) the Supplier abandons or threatens to abandon the Purchase Order Work or any material part thereof;
 - (x) any other event or circumstance which is specified as such in this Purchase Order; or
 - (xi) any act or omission of the Supplier or breach of this Purchase Order by or on the part of the Supplier which causes (or is deemed to cause) a PRHP event of default under the Main Contract.
- (e) On termination of this Purchase Order pursuant to Clause 16(b), Clause 16(c) and Clause 16(d), PRHP may proceed to perform the Supplier's work by whatever method PRHP deems expedient but without undue delay or expense.
- (f) On termination of this Purchase Order pursuant to Clause 16(c) and Clause 16(d), PRHP will (1) be entitled to withhold any payments owing to the Supplier at the date of such termination, and (2) on Total Completion (as defined in the Main Contract) of the Project, be entitled to retain from any amounts withheld from the Supplier the total of any additional costs in excess of the Purchase Order Price which PRHP incurred to achieve Total Completion because of the Supplier's default, including the costs incurred by other subcontractors and administrative costs. Where such additional costs are less than the amounts withheld from the Supplier, PRHP shall pay such excess to the Supplier. Where such additional costs exceed the amounts withheld from the Supplier by PRHP, such excess will be immediately due and owing by the Supplier to PRHP on receipt of an invoice from PRHP for such excess.
- (g) On termination of this Purchase Order pursuant to Clause 16(b), PRHP shall pay the Supplier, in full satisfaction of all Claims the Supplier may have against PRHP for (a) that portion of the Purchase Order Work satisfactorily delivered and accepted as of the date of termination, including reimbursement for reasonable overhead and profit on such Purchase Order Work, and (b) all third party cancellation charges incurred by the Supplier upon termination, in each case, to the extent such Claims are substantiated by documentation satisfactory to and verified by PRHP.
- (h) This Clause shall survive the expiry or any earlier termination of this Purchase Order.

CLAUSE 17 - SUSPENSION OF PURCHASE ORDER WORK

PRHP may, by written notice to the Supplier, at any time and in its sole discretion, suspend the Purchase Order Work, in whole or in part. If PRHP suspends the Purchase Order Work pursuant to this 17 (*Suspension of Purchase Order Work*), the Supplier shall be entitled to an extension of time pursuant to Clause 15 (*Claims*) above.

CLAUSE 18 - SUBCONTRACTING AND ASSIGNMENT

- (a) Subcontracting:
 - (i) Without the prior written consent of PRHP, the Supplier shall not enter into any subcontract or other agreement in relation to the Purchase Order Work (or portion thereof) with any subcontractors, consultants, suppliers, manufacturers or vendors (each a "**Subcontractor**" and the term "**Subcontractor**" will be deemed to include all further subcontractors, consultants, suppliers, manufacturers and vendors engaged below a Subcontractor).
 - (ii) Subject to Clause 19(a) (i), if the Supplier enters into a subcontract or other agreement with a Subcontractor, then the Supplier shall be and remain liable to PRHP for providing the Purchase Order Work as if the Supplier had not subcontracted or entered in an agreement for such Purchase Order Work. The Supplier shall be fully responsible to PRHP for acts and omissions of Subcontractors and of persons directly or indirectly employed by them.
 - (iii) The Supplier shall preserve and protect the rights of BC Hydro and PRHP under any subcontract or other agreement it enters into with a Subcontractor. The Supplier shall only enter into written contracts or agreements with a Subcontractor, and shall require such Subcontractor performs such portion of the Purchase Order Work it is responsible for in accordance with the requirements of this Purchase Order. The Supplier shall incorporate the applicable terms and conditions of this Purchase Order into all such contracts or agreements. The Supplier shall maintain a list of all Subcontractors and will, on request, provide PRHP with copies of any and all such contracts or agreements.
 - (iv) The Supplier acknowledges that BC Hydro has a right to object to the engagement of the Supplier or its Subcontractors for any reason. If PRHP receives a notice from BC Hydro pursuant to which BC Hydro objects to such engagement, the Supplier agrees that the PRHP will have the right to immediately cause the Supplier, its Subcontractors or its employees, as applicable, to cease all Purchase Order Work, and promptly replace the Supplier, its Subcontractors or its employees by another person, as applicable.
 - (v) Nothing contained in this Purchase Order creates any contractual relationship between PRHP and a Subcontractor or the Subcontractor's agents or employees, or any other person(s) performing any of the Purchase Order for or on behalf of the Supplier.
- (b) Assignment:
 - (i) The Supplier shall not be entitled to assign, transfer or otherwise dispose of any interest in this Purchase Order or any portion thereof without the prior written consent of PRHP.
 - (ii) PRHP shall be entitled to assign, transfer or otherwise dispose of any interest in this Purchase Order or any portion thereof without the consent of the Supplier.

CLAUSE 19 - SETTLEMENT OF DISPUTES

In the event of a dispute, controversy, difference or issue arising out of or in connection with this Purchase Order or the Purchase Order Work or in respect of any defined legal relationship associated with or derived therefrom (a "**Dispute**"), the party which considers that a Dispute exists shall promptly notify the other party of such Dispute in writing (the "**Dispute Notice**"). Such notice shall specify the nature of such Dispute and nominate a senior management representative to negotiate with the other party. Within two (2) days following receipt of a Dispute Notice, the receiving party shall designate a senior representative. The parties shall attempt to resolve in the first instance any Dispute between them promptly. Each party's senior management representative shall be authorized to resolve any Dispute and to exercise the authority of such Party to reach an agreement. In the event that the parties are unable to resolve a Dispute within 7 days, either party shall be entitled to require that the Dispute is submitted to binding arbitration to be finally resolved. If a Dispute is submitted to arbitration, such arbitration shall be conducted pursuant to the arbitration provisions in Schedule D (*Supplementary Conditions*).

Notwithstanding anything contained in this Purchase Order (to the contrary or otherwise), to the extent the subject matter of a Dispute between the parties under this Purchase Order relates to the same or substantially the same subject matter as a dispute between BC Hydro and PRHP under the Main Contract, then the parties hereunder agree will defer to and agree to be bound by any decision reached pursuant to the Dispute Resolution Procedure (as defined in the Main Contract) as it relates to the subject matter in dispute between BC Hydro and PRHP under the Main Contract. To the extent that any Dispute (as defined in the Main Contract) is being pursued, the parties hereunder agree that they will not pursue their Dispute under this Purchase Order.

This Clause shall survive the expiry or any earlier termination of this Purchase Order.

CLAUSE 20 - ESTIMATED QUANTITIES

Quantities indicated in this Purchase Order must not be exceeded by the Supplier without written authorization from PRHP. If this Purchase Order is issued on the basis of estimated quantities of goods and/or services and a "Not to Exceed" dollar amount, it is agreed that quantities contained herein are PRHP's best estimate of required quantities from the information available at time of execution of this Purchase Order. It is further agreed that quantities and pricing contained herein are for Purchase Order issuance purposes only and that Supplier will be reimbursed only for those quantities of goods and/or services actually delivered and accepted by PRHP, and that such quantities may be less than or greater than the estimated quantities.

CLAUSE 21 - SHOP DRAWINGS

When specified in Appendix A of this Purchase Order, the Supplier shall provide all Shop Drawings to PRHP as required by PRHP. For the purposes of this Purchase Order, "**Shop Drawings**" means drawings, diagrams, illustrations, schedules, performance charts, brochures, product data, and other data which the Supplier is required to provide to illustrate details of portions of the Purchase Order Work;

PRHP shall determine the number of copies of Shop Drawings as may reasonably be required together with the procedure and schedule for transmittal of same, and the Supplier shall supply the number of copies required in accordance with such procedure and schedule. At the time of the supply of any such Shop Drawings, the Supplier shall notify PRHP in writing of any deviations in the Shop Drawings from the requirements of this Purchase Order. Review of Shop Drawings by PRHP, BC Hydro or any other person shall not relieve the Supplier of the responsibility for all errors or omissions in the Shop Drawings or of the responsibility for meeting all requirements of this Purchase Order. Review of Shop Drawings by PRHP or BC Hydro shall not constitute approval of a change or an addition or deletion of the Purchase Order Work.

Upon PRHP's request, the Supplier shall, at its own cost, revise and resubmit Shop Drawings which PRHP rejects as inconsistent with the Purchase Order unless otherwise directed by PRHP. The Supplier shall notify PRHP in writing of any revisions to the resubmission other than those requested by PRHP.

GP-1 GENERAL PURCHASE ORDER TERMS AND CONDITIONS

CLAUSE 22 – QUALITY ASSURANCE

The Supplier and its suppliers shall establish and maintain a quality control and inspection program as required by the quality control requirements of this Purchase Work Order. Any changes, deviations or waivers from the requirements of the purchase order shall have the prior written approval of PRHP. The Supplier hereby acknowledges and agrees that the cost of compliance with the quality assurance and quality control program has been included in the Purchase Order Price.

The Supplier shall employ or engage only competent, suitably experienced, skilled and adequate staff, labour, and Sub-Subcontractors in the execution of the Purchase Order Work.

CLAUSE 23 - ENTIRE AGREEMENT

This Purchase Order supersedes all prior negotiations, representations or agreements with respect to its contents whether written or oral.

CLAUSE 24 – THIRD PARTY BENEFICIARIES

Except as expressly provided, nothing in this Purchase Order, expressed or implied, is intended or will be construed to confer upon or to give any person which is not a party to this Purchase Order any rights or remedies under or by reason of this Purchase Order.

CLAUSE 25 - AMENDMENTS

This Purchase Order may be changed, amended or modified at any time only by a written instrument executed by the authorized representatives of each of the parties.

CLAUSE 26 - WAIVER

No term or provision of this Purchase Order shall be deemed waived, and no breach thereof shall be deemed excused unless such waiver or consent is in writing and signed by the party waiving or consenting. No waiver or consent by any party, whether express or implied, shall constitute a waiver or consent for any other term or provision or a subsequent application of such term or provision.

CLAUSE 27 - SEVERABILITY

If any provision contained in this Purchase Order is found by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

CLAUSE 28 - NOTICES

All communication and notices from the Supplier shall be addressed and delivered to PRHP's representative and correspondingly, all communication and notices from PRHP shall be addressed and delivered to the Supplier's representative, in each case, which are identified on the cover sheet to this Purchase Order (or such other address as may be notified from time to time). Communications or notices in writing between the parties shall be considered to have been received by the addressee on the date of delivery if delivered to the individual, or to a member of the firm, or to an officer of the corporation for whom they are intended by hand or by registered post. Communications and notices sent by regular post or by facsimile transmission shall be considered to have been delivered on the fifth working day following the date of mailing or transmission. Communications and notices provided by electronic mail or provided in meetings without confirmation in writing as aforesaid shall not constitute effective communication or notice.

CLAUSE 29 – INDEPENDENT CONTRACTOR

The Supplier shall be deemed to be acting solely as an independent contractor, and nothing contained herein shall at any time be construed to create the relationship of employer and employee, partnership, principal and agent, or joint venture as between PRHP and the Supplier. The Supplier shall maintain control over its employees and all of its Subcontractors at all times.

CLAUSE 30 - BINDING AGREEMENT

The Purchase Order shall become a binding agreement upon the Supplier signing and returning an executed copy of this Purchase Order or upon the Supplier otherwise acknowledging acceptance of the Purchase Order or commencing performance of the Purchase Order Work, whichever occurs first.

CLAUSE 31 – INDEPENDENT ADVICE

Each party further acknowledges that prior to this Purchase Order becoming a binding agreement, it has read and understands the terms of this Purchase Order, has had the opportunity to be advised by an independent legal advisor as relates to its terms, and that it agrees to be bound by this Purchase Order.

CLAUSE 32 - EXCLUSIONS

Any reference to the Supplier's quotation, bid, or proposal does not imply acceptance of any terms, conditions, or instruction contained in such document, and no terms, conditions or instructions contained therein shall have any force or effect.

APPENDIX A – SCOPE OF SUPPLY

APPENDIX B – DELIVERY SCHEDULE AND LOCATION