

Irving Shipbuilding Inc. – Halifax Site
Supplier Qualification Form

Section 1: Business Profile

COMPANY NAME: _____

MAILING ADDRESS: _____

CITY: _____ PROV./STATE: _____ COUNTRY: _____ CODE: _____

TELEPHONE: _____ FAX: _____ TOLL FREE: _____

CONTACT FOR NEW BUSINESS: _____ POSITION: _____

WEB SITE: _____

NUMBER OF YEARS IN BUSINESS _____

INCO TERMS: _____ FREIGHT COMPANY: _____ PAYMENT TERMS: _____

GST/HST REGISTRATION # _____ FUNDS (CDN/USD) _____

Business Structure: Manufacturer Distributor Sales Office Service Company
 Corporation Sole Proprietor Franchise Partnership Joint Venture

a) If manufacturing firm, please indicate if you sell directly or through a distributor or sales office, and identify the closest to our location. Please provide address of manufacturing plant. _____

b) If distributor, please attach listing of your major manufactures.

c) If sales office, please attach listing with address of the manufacturing plants.

d) If service company, please indicate nearest office location. _____

e) Business Ownership (Please provide Country name) _____

f) Does your company qualify as an Aboriginal business as described in the *Indian Act* (R.S.C.,1985,c.1-5) _____

g) Does your company qualify as a Small Business (Canadian based, owned and operated, with fewer than 250 full-time personnel) _____

Supplier Contacts	Name	Phone number	Fax number	Email address
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Sales Manager: _____

QA/QC Manager: _____

Contracts Manager: _____

Mfg Manager: _____

Sales Contact: #1 _____

Accounting Dept. _____

Emergency After Hours Number _____

Description of Product Lines: _____

Please forward catalogues/ brochures/ literature which would be of interest to ISI.

Description of Services Offered: _____

Please forward any literature you have regarding your services.

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Section 2: Facility/Service Overview

Workforce capability:	No. of personnel	Union Affiliation and date current contract expires
Administrative	_____	_____
Trades	_____	_____
Technical	_____	_____

Work space available: Indoor _____ m² Outdoor _____ m²

Shipping/Receiving facilities & equipment: _____

Provide details on any available storage area _____

Are you able to provide the following?

Environmental/chemical/mechanical test facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Electrical test facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Pressure / leak testing facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Electronic design/manufacturing/testing facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Heat-treating facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Nondestructive examination personnel /facilities	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Qualified welders	<input type="checkbox"/> YES	<input type="checkbox"/> In house	<input type="checkbox"/> Subcontracted	<input type="checkbox"/> NO	<input type="checkbox"/> N/A
Special processes:	<input type="checkbox"/> Cleaning	<input type="checkbox"/> Soldering	<input type="checkbox"/> Coating	<input type="checkbox"/> Vacuum Impregnation	
	<input type="checkbox"/> Dipping	<input type="checkbox"/> Baking	<input type="checkbox"/> Brazing	<input type="checkbox"/> Plating	<input type="checkbox"/> Etching <input type="checkbox"/> Painting

If above services are available in-house please provide all details such as qualification level, full load testing capability (H/P/KW/KVA) , design and manufacturing capabilities (CAD/CAM), maximum test pressures, maximum temperatures, etc.

If sub-contracted please provide name of supplier, address and contact information _____

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Section 4: Safety

Please provide the following safety statistics for the last 12 month period.

Note: for classification of incident reporting please use Bureau of Labor Standards (BLS)

- a) Number of lost-time incidents _____
- b) Number of restricted work incidents _____
- c) Number of medical aid incidents _____
- d) Number of fatalities _____
- e) Total number of person hours worked _____

If you have listed any lost time incidents above, please provide details of the incident and resulting injury including number of days off work.

Are you registered with Worker's Compensation Board of Nova Scotia?

YES NO

If yes, what is your most recent merit/ demerit % experience rating?

Merit % _____ Demerit % _____.

If yes, please provide a current Letter of Good Standing, a copy of your most recent WCB rating statement, accident experience report and advice notice year to date. Please ensure no individuals are named in these reports.

If no, are you prepared to register?

YES NO

In accordance with the Nova Scotia Occupational Health and Safety Act:

Does your company have a Safety Policy in place?

YES NO

If yes, please provide a copy of your most recent safety policy

Does your firm have a Joint Occupational Health and Safety Committee?

YES NO not required

If yes, please provide a copy of the minutes from your last meeting minutes.

Does your company have a defined Safety Management System?

YES NO

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Does your company have a training and competency assurance program to ensure personnel are qualified to perform this work?

YES

NO

Do you have a maintenance program that ensures your equipment is safe and fit for purpose?

YES

NO

If yes, please provide a recent inspection or maintenance report.

Does your company have a documented Alcohol and Drug Policy?

YES

NO

If yes, please provide a copy.

Do you have an Environmental/ Waste Management System?

YES

NO

Please provide a copy of the Table of Contents.

Are you registered with the Nova Scotia Construction Safety Association or equivalent?

YES

NO

Please provide a copy of your Letter of Good Standing or copy of recent audit.

Please indicate other principal customers:

Customer	Product	Year Completed	Quality Program
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

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Section 5: Insurance

Please provide a Certificate of CGL Insurance including your limits of liability. Your policy must include the following: 1) \$3M limit per occurrence 2) products and completed operations coverage 3) ISI will be additional named insured and a cross liability clause 4) and policy would be endorsed to include a waiver of subrogation rights in favor of ISI.

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Section 6: Financial

Direct Deposit Authorization Form

Companies represented as Payers:

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J. D. Irving, Limited – Sawmills Division	New Brunswick Railway Company	Irving Forest Services Limited
J. D. Irving, Limited – Woodlands Division	Weymouth Timberlands Limited	St. George Power LP
J. D. Irving, Limited – General Division	Irving Forest Products Inc.	Irving Paper Limited
Evergreen Garden Landscaping	Irving Woodlands LLC	Lake Utopia Paper
Grand Lake Timber Limited	Allagash Timberlands LP	Irving Pulp & Paper Limited
Georgetown Timber Limited	Aroostook Timberlands LLC	Irving Tissue Company (SJ Division)
Forest Patrol Limited	Clearwater Construction Limited	Fleetway Inc.
Irving Oil Transport Limited	Bayside Realities Limited	Irving Shipbuilding Inc.
		Atlantic Wallboard LP

Payment Information:

Company Name: _____

Name of Financial Institution: _____

Account Information (Complete those that apply): **A void cheque or bank confirmation is required**

CAD\$ Account

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Bank Code

Transit Number

Account Number

USD\$ Account in Canada

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Bank Code

Transit Number

Account Number

USD\$ Account in USA

<input type="text"/>	<input type="text"/>
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ABA Routing Number

Account Number

Remittance Information:

Indicate your preferred method of receiving your payment remittance details (choose only one)

Email: _____

Fax: _____

Contact Name: _____

Contact Telephone: _____

We confirm that the bank account information provided above is correct, and acknowledge that the companies listed above as Payers are not responsible for validating this information nor liable for its validity. We further acknowledge that payment to this account releases the payer from liability with respect to amount so paid. The Payer has our permission to confirm the above banking information with our financial institution, if they so choose.

Authorized Company Signature

Name (Please Print) _____

Title _____

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Section 7: Sub-Contractor's Security Requirements

All Sub-Contractors MUST complete the steps in this form in order to be eligible to work on ANY DND Naval or Government Vessel.

Do you currently have a Controlled Goods Certificate and are registered with the Industrial Security Directorate?

YES

NO

If yes, please ensure a copy of both documents have been forwarded to Halifax Shipyard's CSO.

If no, please follow the instructions below to obtain the necessary clearance.

Step 1: Registration with the Controlled Goods Directorate (CDG):
In order to obtain this registration go to the government link below:

Web Site: <http://ssi-iss.tpsgc-pwgsc.gc.ca/dmc-cgd/index-eng.html>

- Click on Controlled Goods (left hand side)
- Click on Registration and follow the steps. Forms are on the right hand side of the page.
- For assistance you can call: CGD Call Center 1-866-368-4646

Immediately upon receipt of your Controlled Goods Certificate, forward a copy to Don Beaver, Company Security Officer (CSO), Halifax Shipyard, at fax # 902 460-5005.

Should the CDG determine that your organization is not required to register you will be notified. CDG will also send such notice to the Halifax Shipyard (HS), where it will be retained on file.

Step 2: Registration with the Industry Security Sector (ISS) to obtain a Designated Organization Screening Certificate/Letter:

In order to obtain this registration and Designated Organization Screening Certificate the Shipyard must initiate the process. In order to do so HS requires the company information in Section B and Section C (if applicable) of the government form included at Appendix A be completed and forwarded to the HS Chief Security Officer (CSO), Don Beaver, as noted above.

The HS CSO will then provide this information to the Industrial Security Sector (ISS), requesting the process to obtain a Designated Organization Screening Certificate be initiated. This certificate is required to gain approval for your company to be a Sub-Contractor under any of the DND or Government Naval Projects at HS.

Upon receipt of your company information from HS, the ISS may provide you with a letter detailing further information they require. A requirement within this process is to have a

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designated CSO and all employees intended to work on the Project with government security clearance.

It is imperative that the requested information be provided back to the ISS within the timeframe noted on their communication. Failure to provide the requested data in the allotted timeframe will result in immediate cancellation of your application. The ISS will inform HS of this cancellation, and HS will be unable to proceed with your company as a Sub-Contractor on any of the DND or Government Naval Projects at HS. All access to the Shipyard will be denied which may also reduce your ability to be on any other/future government projects.

Upon completion of this registration, forward a copy of your Designated Organization Screening Certificate, Security Status Report as well as a complete detailed listing of all employees who are in receipt of their security clearance to HS CSO, Don Beaver, as noted above. All of these documents must be requested and obtained from ISS by your company CSO.

With receipt of the required documents from step 1 and 2 above, the HS CSO will release your company identification (ID) tags for the Project under which you have been awarded work. These tags will be held at the Main Gate Security within the Shipyard. Employees must have these ID tags visible to gain access to the Shipyard, and at all times while working within the Shipyard facilities and/or vessels.

Should your organization hire a Subcontractor to support work on the specified Project it is your responsibility to have them obtain the same clearances, as per this process, as you have obtained. Any changes to the original Security Clearance Listing for employees and/or Subcontractors that will be working at the Shipyard under the Project you have been awarded, requires a resubmission of an approved listing to the HS CSO. A new or updated Security Clearance Listing can be obtained by calling 1-866-368-4646.

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Appendix A:



Public Works and
Government Services
Canada

Travaux publics et
Services gouvernementaux
Canada

Canadian and International Industrial Security Directorate

REQUEST FOR PRIVATE SECTOR ORGANIZATION SCREENING (PSOS)

A - Type of Application (check one)		New <input type="checkbox"/>	Upgrade <input type="checkbox"/>
B - Information on Proposed Organization			
1 - Legal name		2 - Business name (if different from legal name)	
3 - Mailing address		4 - Civic address	
5 - Organization telephone number		6 - Organization facsimile number	
7 - Surname and given name of contact person (Canadian Official)		8 - Title of contact person	
9 - Telephone number of contact person		10 - E-mail address of contact person	
11 - Preferred language of correspondence (check one)		English <input type="checkbox"/>	French <input type="checkbox"/>
C - Information on Registered or Head Office in Canada (if different from above)			
1 - Legal name		2 - Business name (if different from legal name)	
3 - Civic address			
D - Reason(s) for PSOS Request (check those that apply and provide details in space provided)			
<input type="checkbox"/> Contract/RFP, provide number _____ <input type="checkbox"/> Sub-contract, provide number _____ <input type="checkbox"/> Program/Project, provide name _____ <input type="checkbox"/> Major Crown Project, provide name _____ <input type="checkbox"/> Other, provide details _____			
E - Information on Security Requirements			
1 - Indicate level(s) of personnel security screening required (check those that apply)			
<input type="checkbox"/> RELIABILITY STATUS *		<input type="checkbox"/> CONFIDENTIAL <input type="checkbox"/> SECRET <input type="checkbox"/> TOP SECRET	<input type="checkbox"/> NATO CONFIDENTIAL <input type="checkbox"/> NATO SECRET <input type="checkbox"/> COSMIC TOP SECRET
* This level is required for access to PROTECTED A, PROTECTED B AND PROTECTED C information or assets			
2 - Will the proposed organization be required to store PROTECTED/CLASSIFIED information/assets?			
Yes <input type="checkbox"/>		No <input type="checkbox"/>	

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Section 8: Industrial and Regional Benefits

The Canadian Government has established a policy that provides the framework for using government procurement to enhance long-term industrial, regional, and small business development. This policy, referred to as Industrial and Regional Benefits (IRB), is mandatory on all large Defense Programs.

As a Contractor on these Programs the Halifax Shipyard must ensure, to the extent that it is possible, active participation of Canadian Suppliers/Vendors. The portion of the cost of work, on a product or service, which is actually completed within Canada by Canadian labor is referred to as the Canadian Content Value (CCV).

The following items are considered **eligible** costs or business activities in calculating CCV for IRB purposes:

- Wages, salaries, and benefits paid to Canadian Workers.
- Parts and materials of Canadian origin for the Work.
- Transportation costs within Canada performed by Canadian carriers
- Facility costs in Canada (including utilities, taxes, insurance, rent, administration, maintenance, depreciation).
- Engineering and professional services in Canada.
- Travel expenses on Canadian carriers.
- Overhead, administrative, and general charges charged to the invoice
- Profits earned in Canada that are reasonably attributable to the IRB work.

The following items are considered **ineligible** costs or business activities in calculating CCV for IRB purposes:

- the value of materials, labor and services imported into Canada
- the value of any accommodation, relocation cost, remuneration and premiums paid to non-Canadian citizens who may work on the Project
- the amount of all Canadian Excise Taxes, Import Duties, Federal and Provincial Sales Taxes, Goods and Services Taxes, Harmonized Sales Taxes and other Canadian duties
- the value of goods and services with respect to which credit has been received or is being claimed by the Supplier/Vendor as an IRB to Canada under any other IRB Agreement
- transportation costs outside of Canada
- license fees paid to a foreign company by the Canadian IRB recipient and any ongoing royalty payments
- IRB Transactions claimed by the Supplier/Vendor that pertains to its influence over its own country's Purchasing Agent/Department or the Purchase Agent/Department of another country shall be disallowed.

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The method by which CCV is calculated must be one of the following:

- Net Selling Price Method: Take the selling price of a product and/or service and subtract any ineligible cost or business activities.
- Cost Aggregate Method: For any product, service or activity that cannot be assigned a substantiated selling price the CCV should be the aggregate of the eligible items.

Please provide the following information on your organizations Canadian Content Value:

Percentage CCV (in the materials/services you may supply to HSL) _____

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SECTION 9: STANDARD TERMS and CONDITIONS

The following are Irving Shipbuilding Inc.'s Base Terms and Conditions that must be acknowledged as accepted by **ALL** companies looking to be prequalified as a Vendor to the Halifax Shipyard.

It is understood that there may be addendums to these Base Terms and Conditions, on a Project by Project basis, as there may be Project specific Terms.

PART 1 – INSTRUCTIONS TO SELLERS

GENERAL:

The Irving Shipbuilding Inc. (ISI) Purchase Order number and part number must appear on all documentation and/ or correspondence. All dates on the Purchase Order are expressed in DAY/MONTH/YEAR (D/M/Y) order. Delivery terms are in accordance with Incoterms 2000.

PACKAGING/SHIPPING:

All material shall be packed or crated or otherwise adequately protected to prevent deterioration or corrosion from exposure to the weather, during shipment or storage following shipment. Any openings are to be covered to prevent the ingress of foreign material. All crates, pallets or other containers must be suitable for fork lift handling or else have lifting lugs for overhead crane handling. All crates must be marked with centre of gravity symbol.

When shipping by container, the following criteria must be applied. All items in the shipment should be palletized; pallet loads must not exceed 2m x 2m x 2m and not exceed a maximum weight of 1,000 kg per pallet. Fork locations must face the container doors. If this criteria cannot be met, the item packaging should be sufficiently designed to allow for de-stuffing by crane, in this case the shipping container must be such that the top can be removed to allow items to be easily lifted from the shipping container. All items that conform to this criteria must have their lifting lugs clearly identified with orange paint and access to same must be kept clear.

Packing slips in quadruplicate shall be provided with all shipments - master copy with acceptance shipping documents, second copy packed inside each container, third copy securely attached to the outside of each container, fourth copy forwarded upon shipment to the attention of ISI's Procurement Department at the designated branch delivery location.

Immediately following dispatch of shipment, the CARRIER's shipment identification number is to be provided, by fax, to the Procurement Department. International suppliers must fax a detailed proforma or commercial invoice for customs purposes along with the carrier identification number. Suppliers from the United States or Mexico must provide NAFTA documentation, where applicable. The Seller is entirely responsible for the completion of Canadian Customs and Excise forms duly complete and supported.

For all material to be delivered under this Purchase Order, the Seller is required to label/tag the material on the Box and on the Part. Boxes are to be numbered, i.e. "Box 1 of 6", etc. Each and every box in a shipment and each individual separate part within a box shall have a weather resistant label, on which the following must appear:

Box	Seller's Name	Purchase Order Line Item Number	Weight of each
Reference Number	Purchase Order Number	Manufacturer's Part No.	ISI's Part Number and
		(as defined on the P.O.)	

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Box labels must be a minimum of 4" x 6". Should the Seller utilize bar code technology, the items defined above should be written in Bar code 3 of 9.

STORAGE / CARE AND PRESERVATION:

The Seller shall specify in writing, at or prior to delivery of their equipment/material, any special storage requirements relating to the equipment/material which would include any special lifting and handling and/or care and preservation instructions.

QUALITY ASSURANCE:

The Seller shall provide documentation as denoted in the "QA Level" field of the Purchase Order per the following compliance matrix:

COMPLIANCE LEVELS:

Level 0A	No documentation required
Level 0B	VFI is required
Level 0C	MSDS documentation is required
Level 0D	Customer Supplied Material
Level 1A	Item must be supplied with Certificate of Compliance (C of C)
Level 1B	Item must be supplied with Hydrostatic/Pneumatic report
Level 1C	Item must be supplied with Certificate of Compliance and Hydrostatic /Pneumatic test report
Level A	Item must be supplied with Material Test Report (MTR)
Level 2B	Item must be supplied with Manufacturers Data Report (MDR)
Level 2C	Item must be supplied with Regulatory Authority (RA) Cert
Level 2D	Item must be supplied with MDR and RA Certification
Level 3A	Item must be supplied with Factory Acceptance Test report (FAT)
Level 3B	Item must be supplied with FAT report & RA cert
Level 3C	Item must be supplied with FAT report, RA cert and VFI
Level 4A	Invoice, Naval Sub-contractor

Inspection may take place at the discretion of ISI. ISI shall give the Seller at least two (2) days notice of ISI's desire to have access to the Seller's premises during manufacturing to fully verify that the Seller is conforming to the specified requirements.

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Records of all documentation pertaining to this Purchase Order, including quality records and inspection work, shall be kept complete by the Seller and available to ISI during the performance of this order and for such longer periods as may be specified by law, or elsewhere in this order.

ISI shall have the authority to review the Seller's documentation and practices to the applicable quality assurance program standard and / or supplier quality manual.

The Seller shall not alter the configuration of any item under its configuration control, that affects form, fit, function, price or schedule, without prior written approval of ISI. If the Seller wishes to alter the form, fit, function, price or schedule of an item under its configuration control the Seller shall submit a proposal to ISI with all supporting documentation requested by ISI.

SAFETY:

All ISI's Safety Policies and Procedures are to be complied with by the Seller and it's personnel at all times whilst on ISI's Premises or working on behalf of ISI on any other site. This includes, but is not limited to the Seller's personnel being subject to site safety orientation at the cost of the seller. In addition, the Seller's personnel are to be WHMIS trained, wear CSA approved safety glasses, hard hats and steel toed safety boots and concurrently comply to any/all further Provincial Safety requirements for any particular site on which they are present.

Prior to commencement of any work, at any ISI site, the Seller is to contact ISI's Safety Manager, for confirmation of the above and provision of all necessary documentation.

Under no circumstances are any personnel to enter a site without compliance with the above.

INVOICING:

All invoices must show, as a minimum, the Purchase Order number and line item number and the description and unit cost as detailed in the Purchase Order. In the event the Seller does not issue their invoice to comply with the Purchase Order format, ISI may, at its option, reject the invoice for payment and return it to the Seller for correction.

Invoices are to be sent to:

The designated ISI Branch delivery location identified in the Purchase Order.

Attention: Accounts Payable

Purchase Orders issued with an estimated price cannot be invoiced without first receiving approval from ISI's Purchasing Department (Buyer) on the final agreed cost. Any deviation from this procedure will delay the processing of the invoice.

SHIP TO:

As applicable to the terms of the purchase order, goods and documentation are to be shipped as follows:

GOODS AND SERVICES:

The designated ISI Branch delivery location identified in the Purchase Order.

DOCUMENTATION DELIVERABLES:

The designated ISI Branch delivery location identified in the Purchase Order.

PART 2 - STANDARD TERMS AND CONDITIONS

1. Upon the receipt of the Purchase Order and either the signing of the Purchase Order or commencement of performance by the supplier under the Purchase Order, a contract shall have been constituted for the provision of the equipment, materials and other items (the "Goods"~ and the services (the "Services") described in the Purchase

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Order between the supplier named in the Purchase Order (hereinafter called the "Seller") and Irving Shipbuilding Inc. Division named in the Purchase Order as buyer (hereinafter called the "Company").

2. a) The Purchase Order shall consist of the signing document, these Standard Terms and Conditions and such other appendices referred to on the signing document but specifically excludes any terms and conditions of the Seller which may be communicated by the Seller to the Company at any time unless specifically accepted by the Company in writing and incorporated into the Purchase Order.

b) In the event of conflict or inconsistency between different parts of this Purchase Order, the order of priority will be as follows:

1. Provisions set out on the face of the Purchase Order
2. Appendix "E" - Special Terms and Conditions (if applicable)
3. Appendix "D" - Specific Instructions (if applicable)
4. Appendix "B" - Standard Terms and Conditions
5. Appendix "F" - Statement of Work/Specification (if applicable)
6. All other Appendices as applicable

3. a) Invoices are to be rendered in duplicate (2) and sent to applicable address of the Company named on the face of the Purchase Order Attn: Accounts Payable and shall comply with the reasonable requirements of the Company. Each invoice shall include a sufficient and correct description of the Goods and/or Services and, where applicable, indicate the Purchase order line item(s), the number of packages or boxes and the quantity.

b) The time period for payment of an invoice for Goods is as agreed on the face of the Purchase Order and only after acceptance, by the Company, of the Goods. A properly completed invoice and any associated documentation required to be delivered with the Goods is to be submitted to the address noted on the face of the Purchase Order. Receipt of Goods does not constitute acceptance as confirmation of the Purchase Order requirements has yet to be verified from the time the Goods are delivered. The time period for payment of an invoice for Services is as agreed on the face of the Purchase Order and only after completion of the Services and receipt, by the Company, of a properly completed invoice and subsequent approval of same. Without prejudice to any other remedy which the Company may have under this Purchase Order or at law, the Company shall be entitled to deduct from any monies otherwise due or becoming due to the Seller under this Purchase Order any amount which the Seller owes, or is liable to the Company for, under this Purchase Order or any other purchase order or contract between the Seller and the Company.

c) Notwithstanding (b) above, the Company may withhold payment until such time as the Purchase Order, unconditionally executed by the Seller, is received by the Company.

4. The Goods shall be at the risk of the Seller who shall bear all losses or damages, from whatsoever cause arising, which may occur to the Goods, or any part thereof until delivered to the Company in accordance with this Purchase Order. Title in the goods shall vest in the Company upon delivery or at such earlier time as payment in respect of the Goods or any portion thereof is made by the Company.

5. a) The Company may change shipping schedules or defer shipment of the Goods or any part thereof at any time for a period not to exceed six (6) months at no additional cost to the Company.

b) The Seller warrants that the Goods to be shipped hereunder will be properly classified, described, packaged, marked and labeled, and will be in the proper condition for transportation in accordance with the Company's instructions and all applicable laws and regulations, and the Seller will indemnify and hold harmless the Company from any claims, penalties, losses and damages incurred by the Company as the result of any Goods received from the Seller not in accordance therewith.

6. a) Payment or acknowledgement of receipt of the Goods does not constitute acceptance by the Company of the whole or any part of the Goods nor does it preclude the Company from rejecting the Goods or claiming against the Seller in respect of any deficiency in quantity or quality thereafter appearing.

b) In the event of an over shipment of Goods by the Seller, the Company shall have the option of keeping the over shipped portion free of cost or returning the over shipped portion to the Seller on a COD basis.

c) The Company may return unused Goods to the Seller at any time. The Seller shall re-purchase such unused Goods from the Company at the unit price(s) paid for such Goods less a restocking charge of ten percent (10%). This paragraph (c) does not apply where the Company returns non-conforming or defective Goods.

7. a) Unless stated otherwise in the Purchase Order, all import taxes and duties, packaging, shipping and freight costs are included in the purchase price and are for the account of the Seller.

b) Canadian Harmonized Sales Tax (HST) is not included in the purchase price and, if applicable, will be paid by the Company. The Seller's HST registration number (same as the Canadian Goods and Services Tax (GST) Number) is to be referenced and HST is to be shown as a separate line and amount on all invoices submitted pursuant to this Purchase Order.

c) The Company shall withhold from amounts otherwise payable to the Seller under this Purchase Order and remit to Revenue Canada any amounts required to be withheld and remitted pursuant to the provisions of the Canada Income Tax Act and Regulations thereunder.

8. The Seller warrants the title to all the Goods supplied under this Purchase Order to be free and clear from all liens, claims, encumbrances, and any other charges whatsoever, and the Seller shall indemnify and save harmless the Company from any and all claims, demands or actions relating to such liens, claims, encumbrances or other charges.

9. Notwithstanding prior acceptance of the Goods, and without restricting any other term of this Purchase Order or

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any condition, warranty or provision implied or imposed bylaw, the Seller warrants that all Goods covered by this Purchase Order will conform with the specifications, drawings and other descriptions accepted or provided by the Seller and will be new, fit and sufficient for the purpose for which they were intended, of good material, design and workmanship and free from defects. During the warranty period, the Seller shall repair or replace at its expense and free from any cost or expense to the Company any non-conforming or defective Goods. The Seller shall be responsible for and indemnify the Company for all expenses, damages and losses incurred by the Company as a result of Seller's supply of non-conforming or defective Goods.

The warranty period shall commence on the date of receipt of the Goods at the Company's premises and shall terminate: (a) in the case of Goods incorporated in a vessel, or other Customer work: 12 months after acceptance of the vessel or work by the Company's customer, and (b) in the case of all other Goods: 12 months after the Goods are first put into service by the Company.

Warranty shall be extended on any Goods for the period it or any other item of equipment which affects its operation is out of service for warranty repair or replacement.

The Seller also warrants that the Services provided for by this Purchase Order shall be performed in a good and workmanlike, skillful, efficient manner and that all is in accordance with best industry practice.

10.a) Without limiting its liability under this Purchase Order, the Seller shall provide and maintain at its expense during the entire period of this Purchase Order including the warranty period, comprehensive general liability insurance with limits of at least \$3,000,000 per accident or occurrence including products liability and completed operations coverage. The insurance shall include the Company as an additional insured and include a cross liability clause. The policy shall be endorsed to provide that the insurers shall not have any right of subrogation against the Company, its associated, affiliated or related companies, or any of their respective, directors, officers, employees, contractors and agents.

b) The Seller shall, if requested by the Company, furnish to the Company a certificate of insurance evidencing the coverage required under paragraph (a). The certificate shall state that the Company will be notified not less than thirty (30) days prior to cancellation of or any material change in the policy.

11. The Seller shall defend, indemnify and hold the Company, its agents and employees harmless from and against any and all suits, legal proceedings, claims, demands, damages, liabilities, losses, property damage, personal injury (including death), costs, and expenses including all legal fees arising out of or relating to the Seller's performance of this Purchase Order, including, but not limited to, any negligent act or omission of the Seller, its agents, employees or subcontractors in the manufacture or supply of the Goods or the provision of the Services under this Purchase Order.

The Seller's foregoing defense, indemnify and hold harmless obligations shall apply irrespective of any negligence of the Company.

12. If this Purchase Order involves the performance of Services on the premises of the Company, the Seller shall make all appropriate returns to pay assessments levied pursuant to Workers' Compensation legislation, if applicable. The Seller shall comply with the Company's workplace rules as well as all federal and provincial laws and regulations including the Nova Scotia Occupational Health and Safety Act.

13. The Seller agrees to indemnify the Company and hold the Company harmless in respect of any and all claims that the Goods and/or Services infringe any intellectual right including patents, copyrights, trademarks, trade secrets or industrial designs and, provided the Company gives the Seller prompt notice in writing of any suit or action brought against the Company on any claim for infringement and gives the Seller necessary information, assistance and authority, to defend at the Seller's expense any and all such suits or actions and to satisfy any judgment rendered in relation thereto. At the Company's option, the Seller shall either: (a) modify or replace the infringing Goods and/or Services with non-infringing Goods and Services of equivalent quality at no cost to the Company, or (b) reimburse the Company for all costs paid by the Company for the infringing Goods and/or Services.

14. The Company may, without penalty, terminate the Purchase Order, in whole or in part or suspend the Purchase Order for a reasonable period of time without cause subject to the payments to the Seller of reasonable direct costs (to a maximum of the Purchase Order value for that part of the Purchase Order terminated or suspended) incurred by the Seller as a result thereof, but in no event will the Company be responsible for payment of any special, exemplary, punitive, aggravated, indirect, incidental or consequential damages or loss of profits as a result thereof.

15. The Company may immediately terminate the Purchase Order and/or suspend the Purchase Order, without prejudice to any other right the Company may have, upon any of the following occurrences:

a) The Seller makes an assignment or is petitioned into bankruptcy, or a receiver or trustee is appointed to administer the affairs of the Seller;

b) The Seller fails to deliver the Goods and/or Services or any part thereof within the time stated in the Purchase Order;

or

c) The Seller breaches any other term or condition of the Purchase Order and refuses or is unable to rectify any such breach to the Company's reasonable satisfaction within ten (10) days following receipt of notice of such breach.

The Seller shall reimburse the Company for any and all loss, cost, damage and expense incurred by the Company as a result of the Seller's default including, without limitation, any increased costs should the Company purchase the Goods and/or Services elsewhere as a result of any termination.

16. Time is of the essence in the performance of the Seller's obligations under this Purchase Order. Should delivery of the Goods and/or Services fall behind schedule, the Company, without prejudice to any other right the Company may have, shall have the right to require the Seller to increase manpower, days of work, hours of work, use

Supplier Qualification Form

additional plant and/or equipment or take such other steps as may be necessary or required to ensure completion of the Purchase Order in accordance with the schedule. All the foregoing shall be without additional cost to the Company.

17. Any waiver by the Company of any breach of any term or condition of this Purchase Order shall not constitute a waiver of any subsequent breach of the same or a breach of any other term or condition hereof and no waiver will be binding on the Company unless in writing and signed by the Company.

18. Any notice required or permitted to be given under this Purchase Order shall be delivered to the address of the parties shown on the signing document. In the case of the Company, an additional copy of the notice shall be delivered to P.O. Box 5888, Saint John, New Brunswick E2L 4L4, Attention: The Secretary. The notice shall be sent by facsimile or registered mail. If sent by facsimile, the notice shall be deemed to be received on the business day immediately following the date of transmission. If sent by registered mail, the notice shall be deemed to be received on the fifth (5th) business day following the date of posting.

19. This Purchase Order supersedes all previous communications, representations or understandings, either written or oral, and shall constitute the sole and only agreement between the parties in respect of the subject matter hereof. No amendment or modification of any term or provision of this Purchase Order shall be effective or binding unless made in writing and signed by the Company and the Seller.

20. The Seller may not assign this Purchase Order or subcontract all or substantially all of the work without the prior consent of the Company.

21. The Seller shall, whenever feasible, use the services and goods of the Company's related companies, provided such company is cost competitive.

22. This Purchase Order shall be governed by and construed in accordance with the laws of the Province of Nova Scotia, Canada and the parties agree to submit to the exclusive jurisdiction of the courts of such province. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sales of Goods and further exclude the application of the International Sale of Goods Contracts Convention Act (Canada) and the International Sale of Goods Act (Nova Scotia).

23. Notwithstanding anything to the contrary in this Purchase Order, in no event shall the Company be liable to the seller for any special, exemplary, punitive, aggravated, indirect, incidental, or consequential damages of any nature or kind, including but not limited to loss of revenue, loss of profit, loss of work, loss of contracts, etc. In no event shall the Company's liability to the Seller exceed the Purchase Order value as stated on the face of the Purchase Order.

Supplier Qualification Form

SUPPLIER SIGN OFF

This Qualification Form has been completed by an employee of the company and the information has been verified as being accurate.

This signature acknowledges acceptance of all Terms and Conditions noted herein.

OFFICER OF COMPANY:

Company Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

**Please submit this form in it's entirety to the following email address:
mitchell.ashley@halifaxshipyard.com**