

## SHAW GROUP LTD 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 Order between the supplier named in the Purchase Order (hereinafter called the "Seller") and The Shaw Group Division named in the Purchase Order as buyer (hereinafter called the "Company").
2. This Purchase Order is only for the Goods and Services described on the face of the Purchase Order, or appendices thereto, at the price specified therein for such Goods and Services. The Company may direct additions, deletions or revisions to the Purchase Order, which changes shall be reflected in a revised purchase order or a change order signed by the Company indicating the change, if any, in price. The Seller will not be entitled to payment for any Goods or Services which are not described on the face of the Purchase Order, or appendices thereto, or in a change order signed by the Company. The Company shall have no obligation to pay any amounts which exceed the total price on the face of the Purchase Order as amended by signed changes orders, if any.
3. (a) The Agreement shall consist of the Purchase Order, these Standard Terms and Conditions and such other appendices referred to on the Purchase Order 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. Special Terms and Conditions (if applicable)
  3. Specific Instructions (if applicable)
  4. Shaw Group Ltd Standard Terms and Conditions
  5. Statement of Work/Specification (if applicable)
  6. All other Appendices as applicable
4. 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.
5. Time is of the essence in the performance of the Seller's obligations under this Purchase Order.
6. 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, as defined on the Purchase Order, or at such earlier time as payment in respect of the Goods or any portion thereof is made by the Company.
7. Inspection may take place at the discretion of the Company. The Company shall give the Seller at least two (2) days' notice of the Company's desire to have access to the Seller's premises during manufacturing to fully verify that the Seller is conforming to the specified requirements.

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 the Company during the performance of this Purchase Order and for such longer periods as may be specified by law, or elsewhere in this order.

The Company 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 the Company. 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 Shaw with all supporting documentation requested by the Company.

8. The Company may, without penalty, immediately terminate the Purchase Order with written notice, 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.
9. Notwithstanding section eight(8) of this document, 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.

10. (a) In the event of an over shipment of Goods by the Seller, Seller shall arrange pickup in a timely manner. The Company reserves the right to return the over shipped portion to the Seller on a COD basis.

(b) The Company may return unused standard 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. A restocking fee, if applicable shall be negotiated between the Company and Seller but in no event shall the fee exceed fifteen percent (15%) of the price paid for the Goods. This paragraph (b) does not apply where the Company returns non-conforming or defective Goods.

11. (a) Invoices are to be submitted electronically to the address identified on the face of the Purchase Order 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. The final invoice must be submitted to the Company within thirty (30) days of completion of service or delivery of Goods, as applicable, by the Seller under this Purchase Order.

(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.

(c) 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.

(d) 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.

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.

12. (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 on the invoice and HST is to be shown as a separate line and amount on all invoices submitted pursuant to this Purchase Order.

13. 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.

14. Notwithstanding prior acceptance of the Goods, and without restricting any other term of this Purchase Order or any condition, warranty or provision implied or imposed by-law, 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.

Warranty period shall have an initial duration of twelve (12) months unless otherwise agreed to in writing and 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.

15. If in the Company's sole and absolute discretion the Company determines that the Seller is behind schedule in delivering the Goods or performing the Services and the Seller has not provided the Company with a plan which the Company in its own absolute discretion deems sufficient to remedy the situation, then the Company has the right to retain another Seller to provide the Goods or complete the Services. If the overall costs to the Company to provide the Goods or complete the Services then exceed the original costs, the Seller shall be liable for any such excess costs.

16. The Seller warrants that the Goods to be shipped hereunder will be properly classified, described, marked and labeled in

accordance with the Company's instructions and all applicable laws and regulations, including, without limitation, WHMIS Material Safety Data Sheets (MSDS) requirements. 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.

The Seller warrants that 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. All crates must be marked with center of gravity symbol.

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:

<b>Seller's Name</b>	<b>Purchase Order Line Item Number</b>	<b>Weight of each Box</b>
<b>Purchase Order Number</b>	<b>Shaw's Stock Code and Reference Number (as defined on the P.O.)</b>	<b>Manufacturer's Part No.</b>

Box labels must be a minimum of 4" x 6".

17. 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.

18. (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 \$2,000,000 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.

19. 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.

20. 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.

21. 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 and safety policies, as well as all federal and provincial laws and regulations including, without limitation, the Occupational Health and Safety Act .

22. 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.

Notwithstanding the foregoing, but for clarity, 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.

23. Neither party shall be liable for damages caused by delay or failure to perform its obligations under this Purchase Order where such delay or failure is caused by an event beyond its reasonable control. The parties agree that an event shall not be considered beyond one's reasonable control if a reasonable business person applying due diligence in the same or similar circumstances under the same or similar obligations as those contained in the Purchase Order would have put in place contingency plans to either materially mitigate or negate the effects of such event. Without limiting the generality of the foregoing, the parties agree that force majeure events shall include natural disasters and acts of war, insurrection and terrorism but shall not include shortages or delays relating to supplies or services. If a party seeks to excuse itself from its obligations under this Purchase Order due to a force majeure event, that party shall immediately notify the other party of the delay or non-performance, the reason for such delay or non-performance and the anticipated period of delay or non-performance. If the anticipated or actual delay or non-performance exceeds

fifteen (15) Business Days, the other party may immediately terminate the Purchase Order by giving notice of termination and such termination shall be in addition to the other rights and remedies of the terminating party under this Purchase Order, at law or in equity.

24. 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.

25. Any notice required or permitted to be given under this Purchase Order shall be delivered to the address parties shown on the Purchase Order. The notice shall be sent by email or registered mail. If sent by email, 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.

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

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

28. 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.