

1. APPLICABILITY

1.1 These Terms and Conditions apply to each and every agreement, purchase order, or the like ("Agreement"), between KR Wind and its supplier or subcontractor ("Supplier"), in connection with the provision of goods or services by the Supplier ("Work"), and to all further agreements resulting therefrom or connected therewith, and to all (requests for) quotations, offers, letters of intent, orders, confirmations and other documents and acts made and/or done in preparation of and/or prior to and/or in connection with the Work.

1.2 No terms and conditions of whatever kind and of whatever name of the Supplier and/or referred to by the Supplier and/or customarily in use (for the services rendered) by the Supplier are applicable and any such terms and conditions are hereby explicitly rejected by KR Wind. These Terms and Conditions shall govern the Supplier's Work and any Agreement.

2. SUBCONTRACTING

2.1 The Supplier shall neither assign nor subcontract the Work without the written consent of KR Wind and such consent may be withheld at KR Wind's sole discretion.

3. PRICE

3.1 KR Wind shall pay to the Supplier the specified price for performance of the Work (the "Price"). The Price shall be a fixed price and Supplier is not in any way entitled to increase the Price for whatever reason unless explicitly agreed otherwise in writing following a Change Order in accordance with these Terms and Conditions.

3.2 The Price includes the costs of compliance with any and all obligations of the Supplier in performing the Work for KR Wind.

3.3 The Price is exclusive of any applicable sales or value added tax including, without limitation, Goods and services Tax and/or Harmonized Sales Tax ("VAT"). With the exception of VAT, insofar as applicable, the Price includes any and all taxes, charges, fines and/or penalties levied by government and/or other authorities in respect of and/or in connection with the Work. Any and all taxes, charges, fines and/or penalties hereof are and will be for the account of the Supplier, whether payable by KR Wind or the Supplier. If and insofar as such taxes, charges, fines and/or penalties have been charged to and/or paid by KR Wind, the Supplier will reimburse KR Wind in full therefore.

4. CHANGE ORDERS

4.1 KR Wind may submit to Supplier a request for a modification to the Work ("Change Order"), provided that such Change Order may be subject to adjustments to the Price and Working Period. Change Orders must be authorized by the Parties by a written Change Order approved and signed by KR Wind and Supplier.

4.2 KR Wind shall give Supplier a written request setting forth in detail the nature of the requested change and shall provide Supplier with at least twenty four (24) hours prior notice before the change is to commence. Upon receipt of a request from KR Wind, the Supplier shall promptly, within twenty four (24) hours, deliver to KR Wind a proposal setting forth the tasks and pricing associated with such request. Following review of the Supplier's proposal, KR Wind shall issue a written Change Order and the Price and Work Period shall be adjusted accordingly with the effect that the Change Order shall be formally incorporated into the terms of the Agreement.

4.3 Should an agreement not be reached as to an adjustment to the Price or Work Period for Change Orders, the Supplier shall perform the work and shall be entitled to receive payment for Change Order Work not in dispute. With respect to the amounts in dispute, the Supplier shall be entitled to continued good faith negotiations, and submittal of a claim upon completion of the Work, should agreement not be reached by that time.

5. INVOICING & PAYMENT

5.1 No invoice may be presented to KR Wind prior to completion of the relevant part of the Supplier's performance, unless explicitly agreed otherwise in writing.

5.2 Each invoice must be accompanied by such documents as may be required by KR Wind, including but not limited to acknowledgements of delivery/receipt, working orders signed for completion and letters/protocols of acceptance.

5.3 Each and every invoice must be presented to KR Wind within 3 (three) months after completion. The Supplier will not be entitled to any payment of invoices presented to KR Wind after that date and all rights to payment shall expire as per that date.

5.4 Payment will only take place after acceptance of the respective performance by KR Wind and after

approval by KR Wind of the Supplier's invoice, presented to KR Wind in accordance with the provisions these Terms and Conditions.

5.5 Provided that KR Wind approves the invoice, payment will take place no later than 60 (sixty) days after receipt and approval of the Supplier's invoice.

5.6 KR Wind is entitled to set off any claim it has against the Supplier – including but not limited to claims for delays, costs, penalties and damages – against payment of the invoices of the Supplier and/or against any other amount KR Wind might owe the Supplier by virtue of the Agreement and/or these Terms and Conditions.

6. PERFORMANCE

6.1 The Supplier agrees to perform the Work up to the standards, and in accordance with technical specifications, as set out by KR Wind and/or the client(s) for whom KR Wind is working ("Client").

6.2 The Supplier agrees that KR Wind and/or its Client will each have the authority to reject Work of the Supplier, which does not conform to the plans and specifications. The costs of any repairs, modifications, reworking, etc, required to bring the Work up to the Client's standards shall be borne by the Supplier.

6.3 The Supplier shall supervise and direct the Supplier's Work, and shall cooperate with KR Wind in scheduling and performing the Supplier's Work to avoid conflict, delay in or interference with the work of KR Wind, other Suppliers or Client's own forces.

6.4 The Supplier shall promptly submit shop drawings, product data, samples, reports and similar submittals required by KR Wind with reasonable promptness and in such sequence as to cause no delay in the Work or in the activities of KR Wind or other Suppliers.

6.5 The Supplier shall furnish to KR Wind periodic progress reports on the Work of this Subcontract as mutually agreed, including information on the status of materials and equipment, which may be in the course of preparation, manufacture or transit.

6.6 The Supplier shall keep the site and surrounding area free from accumulation of waste materials or rubbish caused by Supplier. If the Supplier fails to clean up the site, KR Wind may charge the Supplier for the Supplier's appropriate share of cleanup costs.

7. EQUIPMENT

7.1 The Supplier shall provide all equipment necessary to perform the Work ("Equipment") and complete it within the schedule provided by KR Wind, which can be modified by KR Wind from time to time. The Supplier represents and warrants that the Equipment shall be sufficient, and of a proper quality, to perform the Work. Should additional, or replacement, equipment be required to complete the Work, then the Supplier shall provide such equipment at its own cost.

7.2 The Supplier shall pay for all materials, Equipment and labour used in connection with the performance of the Work and shall furnish satisfactory evidence, when requested by KR Wind to verify compliance with the above requirements.

7.3 The Supplier shall keep its Equipment on site at no additional charge until KR Wind provides notice that the Equipment is no longer required, or the Work is completed.

8. PERSONNEL

8.1 The Supplier undertakes to assign only reliable and sufficiently qualified personnel to perform the Work.

8.2 The Supplier will ensure that the Personnel has the qualifications and fits the requirements as specified by KR Wind and is fully qualified to do the Work.

8.3 The Supplier is fully responsible for all acts and omissions of its Personnel, whether in the Supplier's employment or not.

8.4 The Supplier shall ensure that the Personnel fully adheres to all and any rules, regulations, prescriptions and precautions in respect of safety, environment, health and working conditions and that the Personnel acts in accordance with KR Wind's and/or its Client's instructions.

8.5 If Personnel is not qualified or if Personnel acts contrary to the provisions of the Terms and Conditions hereof, or if the Client is dissatisfied with Personnel, all to the complete discretion of KR Wind and/or the Client, KR Wind is entitled to demand that such Personnel be removed. The Supplier shall then ensure that and is responsible that such Personnel is removed and shall immediately replace such Personnel by other Personnel, fully complying with the requirements of These Terms and Conditions. All costs involved are for the account of the Supplier.

8.6 Nothing in the Agreement and/or in the execution thereof, and nothing in the relationship between Parties, can be deemed to construe an employment or other relationship of persons, employed by or contracted by the Supplier, with KR Wind.

9. PERMITS

9.1 The Supplier shall secure and pay for permits and governmental fees, as well as any required escorts, licenses and inspections necessary for proper execution and completion of the Supplier's Work.

9.2 The Supplier shall comply with federal, provincial, state, municipal and local laws, regulations and ordinances including, without limitation, tax laws, social security acts, unemployment insurance acts and workers' compensation, and occupational health acts insofar as applicable to the performance of this Subcontract.

9.3 The Supplier shall provide copies of all permits which it requires to perform the Work.

10. HEALTH & SAFETY

10.1 The Supplier shall take all lawfully required safety precautions with respect to performance of the Work, shall comply with safety measures initiated by KR Wind and/or its Client and with applicable laws, ordinances, rules, regulations and orders of public authorities for the safety of persons and property.

10.2 The Supplier shall report to KR Wind within eight (8) hours an injury to an employee or agent of the Supplier.

10.3 The Supplier shall at all times act in accordance with KR Wind's instructions.

10.4 The Supplier shall at all times abide by KR Wind's Sub-Contractor QSE Requirements.

11. SCHEDULE & DELAY

11.1 Supplier shall perform the Work within the time frame as supplied by KR Wind (the "Work Period"). The Work Period is subject to change on account of delays, Change Orders, and/or the mutual agreement of the Parties.

11.2 KR Wind shall provide Supplier with notice of the commencement of the Work Period (the "Commencement Date"). KR Wind shall be entitled to extend Commencement Date once, up to a maximum of

four (4) weeks at no cost to KR Wind. Such extension must be communicated in writing no later than one (1) week prior to the Commencement Date.

11.3 Supplier shall cooperate with KR Wind in scheduling and performing the Work to avoid conflicts or interference in the Work and shall expedite written responses to submittals made by KR Wind.

11.4 Should the Supplier become delayed for whatever reason, it shall immediately (no later than 24 hours) inform KR Wind of said delay in writing, setting out the expected period of delay and the circumstances leading to such delay.

11.5 Should the Supplier be delayed howsoever on account of its own fault (which shall include permitting issues, mechanical breakdowns, etc.), then KR Wind may order the Supplier to take remedial actions to ensure that the Work is completed before the end of the Work Period. Supplier shall be responsible, at its own cost for any remedial actions. Further, the Supplier will be in default, without any notice of default being required

11.6 In the event that the commencement or continuation of the Work and/or the performance by the Supplier is delayed due to default of the Supplier as referred to above, the Supplier will indemnify KR Wind for any all damages and/or penalties suffered by KR Wind on account of the delay.

11.7 Supplier shall only be entitled to relief, either schedule and/or cost, for delays not caused by the Supplier or KR Wind, if and insofar as KR Wind is granted relief from its Client.

12. INSURANCE

12.1 The Supplier shall, at its own cost, take out and maintain during the existence of the Work and/or Agreement insurances adequately covering all risks in respect of the Work, especially including its contractual and legal liability for any and all claims and damages, caused by and/or in respect of and/or in connection with the Work and/or in respect of product liability for goods delivered by the Supplier. The Supplier's insurance shall cover all claims, costs and damages, especially including but not limited to direct and indirect loss, physical loss and property damage, death and personal injury, and costs and interest.

12.2 The insurance policies, taken out in accordance with these Terms and Conditions shall state that KR Wind and its (other) subcontractors are coinsured and shall state that insurers waive any right of recourse or

subrogation against KR Wind and/or any of its officers and/or employees and/or subcontractors and/or agents and/or affiliated companies and/or its Client.

12.3 Certificates of insurance acceptable to KR Wind shall be filed with KR Wind prior to commencement of the Supplier's Work. These certificates and the insurance policies required shall contain a provision that coverage's afforded under the policies will not be cancelled or allowed to expire until at least 30 days' prior written notice has been given to KR Wind. All certificates of insurance shall be provided to KR Wind and shall name KR Wind as an additional loss payee with a waiver of subrogation in favour of KR Wind.

13. LIABILITY & INDEMNIFICATION

13.1 The Supplier shall indemnify and hold harmless the Client, KR Wind, and their respective agents and employees of any of them from and against claims, damages, consequential and economic losses and expenses, including but not limited to all legal fees, arising out of or resulting from performance of the Supplier's Work caused by the acts or omissions of the Supplier, the Supplier's sub-Suppliers, anyone directly or indirectly employed by them or anyone for whose acts they may be liable, regardless of whether or not such claim, damage, loss or expense is caused in part by a party indemnified hereunder.

13.2 The Supplier is liable for any and all loss, costs and/or damages, of whatever nature, including but not limited to loss of profit, loss of use, loss of contacts and/or any other consequential and/or economic and/or indirect loss and/or damages, caused by default, non performance, incomplete performance, delay in the performance and/or underperformance by the Supplier in respect of its obligations to perform the Work.

13.3 The Supplier is moreover liable for any and all loss, costs and/or damages, which is/are or should be covered by the Supplier's insurance.

14. FORCE MAJEURE

14.1 Force Majeure shall be understood to refer to circumstances, conditions and/or events, which are beyond control of either Party, occurring in the absence of any fault or negligence of either Party and which cannot be avoided or prevented through the adoption of reasonable measures, which temporarily or permanently prevent the performance of any obligation under the Party claiming Force Majeure, provided that no cause has been given and no contribution has been made to said events.

14.2 Strikes and labour disturbances of Personnel shall not constitute a Force Majeure occurrence, but are an occurrence for which the Supplier is responsible.

14.3 In the event that the performance of obligations under the Agreement is temporarily prevented due to a Force Majeure occurrence, the Force Majeure occurrence will only have the effect of deferring the performance of those obligations, and shall not serve as an excuse for breaching the Agreement.

14.4 In the event that the performance of any of the Supplier's obligations is temporarily prevented due to a Force Majeure occurrence, KR Wind may temporarily suspend its own performance, especially payment obligations, or part thereof.

14.5 In the event that the performance of obligations under the Agreement is permanently prevented due to a Force Majeure occurrence, or is temporarily prevented due to a Force Majeure occurrence for a period anticipated to be at least 60 (sixty) days, then either Party is entitled to terminate the Agreement in accordance with these Terms and Conditions.

15. DEFAULT

15.1 The Supplier will be in default immediately upon any breach of any of its obligations under an Agreement and/or under these Terms and Conditions, including but not limited to any non compliance with any of the provisions of these Terms and Conditions and/or any non performance, incomplete performance, delay in the performance and/or underperformance by the Supplier in respect of its obligations under the Agreement and/or these Terms and Conditions. The Supplier will be in default without any prior notification or notice of default being necessary.

15.2 In case of default by the Supplier KR Wind is entitled, at its option, to take any of the following measures:

- a. to refuse and reject Supplier's performance and to order Supplier to replace the faulty performance; and/or
- b. to order the Supplier to immediately comply with the respective obligations and to repair whatever damage has been done; and/or
- c. to replace the faulty performance and/or to repair the damage itself or to have same done by a third party, at the Supplier's cost; and/or

- d. to temporarily suspend its own performance, especially payment obligations, or part thereof; and/or
- e. to cancel and/or terminate the Agreement with immediate effect.

15.3 In case of default by the Supplier, the Supplier will in all events be obliged to pay to KR Wind all costs and expenses (including full legal expenses, both in and out of court) and all loss and damages incurred by KR Wind due to such default.

16. TERMINATION

16.1 KR Wind will be entitled to cancel and/or terminate the Agreement with immediate effect, without having to take the matter to court or arbitration, and without being obliged to pay any compensation to the Supplier, in the event of any of the following occurrences:

- a. in case of default or anticipated default by the Supplier, after having put the Supplier on notice with a notice period of two (2) working days, if the Supplier has failed to perform in accordance with the notice and within the time set;
- b. in the event that the Client terminates or cancels its agreement with KR Wind, without any prior notification being necessary;
- c. if the Supplier goes into bankruptcy or liquidation, whether compulsory or voluntary, or requests or is granted (temporary) suspension of payment or otherwise has a receiver appointed over its business or assets, without any prior notification being necessary.

16.2 KR Wind will moreover, at its absolute discretion, be entitled to cancel and/or terminate the Work, or part thereof, with a notice period of fifteen (15) days, without being obliged to pay any compensation to the Supplier. Upon such cancellation and/or termination KR Wind's sole obligation will be to pay the amounts due and not previously paid to the Supplier for performance completed.

16.3 If the Supplier fails or neglects to carry out the Work in accordance with the Agreement and/or these Terms and Conditions KR Wind may, without prejudice to any other remedy KR Wind may have, terminate the Subcontract and complete the Supplier's Work by whatever method KR Wind may deem expedient. KR

Wind shall have the right to charge back against the Supplier the amount of expense and damages of completing the Work with no limitation and the Supplier shall pay such amount of expense and damages forthwith.

16.4 Upon receipt of written notice of termination, the Supplier shall:

- a. cease operations as directed by KR Wind in the notice;
- b. take actions necessary, or that KR Wind may direct, for the protection and preservation of the Work; and
- c. except for Work directed to be performed prior to the effective date of termination stated in the notice, terminate all Change Orders and enter into no further Change Orders.

17. SUSPENSION

17.1 KR Wind may, without cause, order the Supplier in writing to suspend, delay or interrupt the Work in whole or in part for such period of time as KR Wind may determine. In the event of suspension ordered by KR Wind, the Supplier shall be entitled to an equitable adjustment of the time to complete the Work, but KR Wind will not be obliged to pay an compensation to Supplier.

17.2 In the event that KR Wind orders a suspension, delay, or interruption of the Work, the Supplier shall employ all resources at its disposal to mitigate the costs impact of such an order.

18. MISCELLANEOUS

18.1 Supplier shall perform the Work as an independent contractor, and not as an employee entity, partner or joint venture. No personnel of Supplier shall be or be deemed an employee or dependent KR Wind of KR Wind, even if such personnel is under the direction and control of KR Wind on the project site.

18.2 All communications and documents provided in connection with the Work (other than oral communication) shall be in English and English shall be the governing language.

18.3 If any provision or part of the Agreement is rendered void or unenforceable, it shall be considered void and unenforceable to that extent only. The remaining provisions of the Agreement shall remain in

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full force and effect and in lieu of such void and unenforceable provision, there shall be added automatically as part of the Agreement a legally valid and enforceable provision as similar in terms to the void and unenforceable provision as may be possible.

18.4 All intellectual property rights to drawings, technical specifications, designs, calculations, models, etc. which have been produced by KR Wind and have been provided to the Supplier, shall remain vested in KR Wind. Without KR Wind's prior, express written approval, said documents may not be copied, displayed and/or provided to third parties. These documents must be returned to KR Wind immediately upon request.

18.5 All documentation, pricing, and information associated with the Work shall be assumed to be confidential.

18.6 Any failure by KR Wind at any time, or from time to time to enforce or require the strict compliance with and performance of any of these Terms and Conditions shall not constitute a waiver of such terms or conditions in any way, or the right of KR Wind at any time to avail itself of such remedies as it may have for any breach or breaches of such terms or conditions.

18.7 KR Wind will be entitled to shorten periods of notification in case of urgency and/or emergency.

18.8 The headings of these Terms and Conditions are for convenience only and shall not affect the interpretation thereof.

18.9 These Terms and Conditions set forth in the Agreement constitute the complete and entire agreement between the Parties relating to the Work hereunder, superseding all previous negotiations and understandings, communications, quotes, or agreements, and may not be contradicted by evidence of any prior or contemporaneous agreement.