

POWER PURCHASE AGREEMENT

COMMERCIAL AND INSTITUTIONAL POWER PRODUCER (CIPP) PROGRAM

QULLIQ ENERGY CORPORATION

and

[FULL LEGAL NAME OF COMMERCIAL AND INSTITUTIONAL POWER PRODUCER]

[Insert Contract Date]

CONTRACT ID:

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ARTICLE 1 INTERPRETATION

1.1 Defined Terms

Except as otherwise set forth herein, the capitalized terms used in this Agreement, including in the recitals hereto, shall have the meanings set out in Schedule 2.

1.2 Interpretation of Agreement

In this Agreement, unless otherwise expressly stated:

- (a) references to “herein”, “hereto”, “hereby”, “hereunder”, “hereof”, and similar expressions are references to this Agreement and not to any particular section, sub-section, or schedule;
- (b) references to “including” means including without limitation, and “includes” or other derivatives thereof shall have corresponding meanings;
- (c) references to an “Article”, “Section”, “sub-section” or “clause” are to the correspondingly numbered provisions of this Agreement;
- (d) references to “Schedules” are to the correspondingly numbered Schedules listed in Section 1.4;
- (e) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, all as may be applicable in the context;
- (f) words and phrases which are not defined herein but which have a generally accepted meaning in the custom and usage of the power generation or engineering and construction industries as at the date hereof shall be given such generally accepted meaning;
- (g) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;
- (h) any reference to any agreement, document, instrument, published data, or published information, including this Agreement, is a reference to it as varied, amended, modified, supplemented or replaced from time to time; and
- (i) any reference to any Applicable Law is a reference to it as re-enacted, varied, amended, modified, supplemented or replaced from time to time.

1.3 No Contra Proferentem Rule

No provision in this Agreement shall be interpreted for or against any Party because that Party or its legal counsel drafted such provision, and the *contra proferentem* rule of construction shall have no application to the construction of, interpretation of, or adjudication respecting this Agreement.

1.4 Schedules

The following Schedules delivered with this Agreement at the time of execution of this Agreement are for every purpose to be considered as part of this Agreement (and provisions of the Schedules are to be considered as provisions of this Agreement):

Schedule 1 Project Information

Schedule 2 Definitions

1.5 Order of Precedence and Obligations at Law

In the case of any conflict, ambiguity or inconsistency between or among any of the provisions in this Agreement, the following principles will apply:

- (a) the provisions of any subsequent amendments in writing to this Agreement signed by the Parties will govern and take precedence only over those specific provisions of this Agreement expressly amended or superseded thereby; and
- (b) in the case of any conflict, ambiguity or inconsistency between the provisions in the main body of this Agreement and the provisions of any Schedule, the provisions in the main body of this Agreement will prevail, unless otherwise expressly provided in the main body of this Agreement or in such Schedule.

Nothing in this Agreement modifies, alters, reduces or affects Commercial and Institutional Power Producer's obligations, liabilities or accountability under Applicable Laws or the Authoritative Documents. In the case of any conflict, ambiguity or inconsistency between or among any of the provisions of this Agreement and the provisions of any Applicable Law or the Authoritative Documents, the more restrictive provisions will prevail.

1.6 Entire Agreement

This Agreement is the entire agreement between QEC and Commercial and Institutional Power Producer regarding the subject matter of this Agreement, and except with respect to the Generation and Connection Agreement, supersedes any previous agreements, discussions and understandings. There are no agreements, representations (including any representations that may be implied by statute or common law), warranties, terms, conditions or commitments regarding the subject matter of this Agreement except as specifically expressed in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made by a Party to this Agreement, or its Related Parties, to the other Party to this Agreement or its Related Parties, except to the extent that the same has been reduced to writing and included as a term of this Agreement.

1.7 Currency

In this Agreement, all references to dollar amounts are in Canadian dollars.

1.8 No Agency, Joint Venture, Partnership, Lease or Loan

This Agreement is not intended to and does not:

- (a) constitute either Party as the agent of the other for any purpose, or otherwise create any relationship of agency;
- (b) constitute or create any joint venture;
- (c) constitute or create any partnership;

- (d) constitute the relationship of landlord and tenant;
- (e) constitute the relationship of lender and borrower; or
- (f) create a fiduciary relationship;

and neither Party shall allege or assert for any purpose that this Agreement constitutes or creates a relationship of agency, joint venture, partnership, landlord and tenant, lender and borrower or a fiduciary relationship.

1.9 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done, shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following, if the last day of the period is not a Business Day.

1.10 Invalidity or Unenforceability of Provisions or Indices

If any provision of this Agreement is invalid or unenforceable, or in the event that any index or price quotation referred to in this Agreement ceases to be published, or if the basis therefor is changed materially, then a Party may by written notice to the other Party commence good faith negotiations to replace such provision with a valid and enforceable provision, the economic effect of which substantially reflects that of the invalid or unenforceable provision which it replaces, or to substitute an available replacement index or price quotation that most nearly approximates the intent and purpose of the index or price quotation that has so ceased or changed and this Agreement shall be amended as necessary to accommodate such replacement index or price quotation. If a Party does not believe that a provision is invalid or unenforceable, or that the basis for an index or price quotation has changed materially, or ceases to be published, or if the negotiations set out in this Section 1.10 are not successful, or if the Parties are unable to agree on all such issues and any amendments required to this Agreement (each a “**Replacement Provision**”) within thirty (30) days after giving of the notice under this Section 1.10, then either Party may refer the dispute for the Nunavut Courts’ determination in accordance with Section 1.12.

1.11 Waiver, Amendment

No amendment of this Agreement is effective unless made in writing and signed by a duly authorized representative of each of QEC and the Commercial and Institutional Power Producer. No waiver of any provision of this Agreement is effective unless made in writing, and any such waiver has effect only in respect of the particular provision or circumstance stated in the waiver. No representation by either of the Parties with respect to the performance of any obligation under this Agreement is capable of giving rise to an estoppel unless the representation is made in writing.

1.12 Governing Law

This Agreement shall be governed by the laws in force in Nunavut, including the federal laws of Canada applicable therein. Nunavut Courts shall have exclusive jurisdiction over all matters arising in relation to this Agreement, and each Party accepts the jurisdiction of Nunavut Courts.

ARTICLE 2 DEVELOPMENT OF THE FACILITY

2.1 Design and Construction of the Facility

- (a) The Commercial and Institutional Power Producer shall design and build the Facility using Good Electric Industry Practice and meet all relevant requirements of the Authoritative Documents, the Generation and Connection Agreement, this Agreement, any other Governmental Approvals, and all Applicable Laws, and subject to Section 13.6, the Commercial and Institutional Power Producer shall be responsible for all costs, expenses, liabilities and other obligations associated therewith. The Commercial and Institutional Power Producer shall ensure that the Facility is designed and built to operate in accordance with the requirements of this Agreement.
- (b) The Commercial and Institutional Power Producer shall have Site Control prior to the Contract Date and shall maintain Site Control throughout the Term.
- (c) The Commercial and Institutional Power Producer shall at no time during the Term modify, vary or amend in any material respect any of the location, features or specifications of the Project or the Facility: (i) as set out in Schedule 1 (including the Contract Capacity); or (ii) in any manner which could reasonably be expected to result in a material increase in the capacity factor which the Facility is able to achieve (in either case a “**Facility Amendment**”) without first notifying QEC in writing and obtaining QEC’s consent in writing. Such consent may be withheld by QEC in its sole and absolute discretion.

2.2 Additional Development and Construction Covenants

- (a) The Commercial and Institutional Power Producer shall ensure that the Facility will: (i) be located in the Territory of Nunavut; (ii) be located at the Site; (iii) affect supply on the Power Distribution System; and (iv) otherwise be built in accordance with the features and specifications as outlined in Schedule 1 (as such Schedule may be amended pursuant to Section 2.1(c)), if QEC has consented to a Facility Amendment.
- (b) The Commercial and Institutional Power Producer shall use Commercially Reasonable Efforts to achieve the following key milestones in the development of the Project (each, a “**Key Development Milestone**”) in a timely manner such that it will be able to attain Commercial Operation of the Facility by Target COD:
 - (i) execute the Generation and Connection Agreement;
 - (ii) obtain any other Governmental Approvals applicable to the Project which are necessary for the construction of the Facility to commence (including any required environmental assessments, permits, inspections, licences and approvals);
 - (iii) secure financing sufficient to complete development, construction and commissioning of the Facility;
 - (iv) procure or enter into arrangements for long-lead equipment and materials which are necessary for the construction of the Facility; and
 - (v) commence construction activities at the Site.

- (c) The Commercial and Institutional Power Producer shall provide QEC with evidence of completion of each of the Key Development Milestones by the Target COD which shall include:
 - (i) for the milestone in Section 2.2(b)(i), an executed Generation and Connection Agreement;
 - (ii) for the milestones in Section 2.2(b)(ii), reasonable documentation evidencing that all applicable Governmental Approvals necessary for the construction of the Facility to commence have been obtained; and
 - (iii) for the milestones in Sections 2.2(b)(iii), 2.2(b)(iv) and 2.2(b)(v), a statutory declaration from an officer of the Commercial and Institutional Power Producer (or, if applicable, its general or managing partner) confirming that such milestones have been met).
- (d) QEC shall notify the Commercial and Institutional Power Producer in writing within thirty (30) Business Days following receipt of all of the documentation required by Section 2.2(c) as to whether such documentation is acceptable to QEC, acting reasonably. If QEC determines that such documentation is not acceptable, QEC shall provide to the Commercial and Institutional Power Producer reasonable particulars in respect of any deficiencies in the achievement of any of the Key Development Milestones, and the Commercial and Institutional Power Producer's obligations set forth in Sections 2.2(b) and 2.2(c) shall continue to apply *mutatis mutandis*.
- (e) If all the documentation required in Section 2.2(c) is acceptable to QEC, QEC will confirm in writing that all of the Key Development Milestones have been met by the Commercial and Institutional Power Producer as of the date QEC received such acceptable documentation, and the Commercial and Institutional Power Producer will be deemed to have achieved commencement of construction of the Facility ("**Commencement of Construction**") on such date.

2.3 Connection Requirements

- (a) The Commercial and Institutional Power Producer shall arrange, at its sole expense, for all Facility connection requirements in accordance with Applicable Law and the Authoritative Documents to permit the Delivery of Electricity to the Point of Interconnection.
- (b) All Connection Costs shall be for the account of the Commercial and Institutional Power Producer.
- (c) The Commercial and Institutional Power Producer shall provide, at its expense, all power system components on the Commercial and Institutional Power Producer's side of the Point of Interconnection, including all transformation, switching and auxiliary equipment, such as synchronizing and protection and control equipment required, pursuant to Applicable Law and any requirements deemed necessary by QEC as applicable from time-to-time to protect the sufficiency, reliability and security of the Power Distribution System.
- (d) Commercial and Institutional Power Producer agrees to comply, at its expense, with the Generation and Interconnection Agreement, Authoritative Documents and any QEC Tariff applying to the Facility.

2.4 Metering

- (a) The Commercial and Institutional Power Producer covenants and agrees to provide, at its expense, separate revenue meters and ancillary metering and monitoring equipment as required by the Authoritative Documents; and shall ensure that the Generating Equipment at the Facility is metered separate and apart from any and all other equipment or facilities which are not part of the Facility.
- (b) Subject to weather and ground conditions, the QEC revenue meter shall be read monthly by QEC personnel. The QEC revenue meter shall be supplied and installed by QEC.

2.5 Target COD

- (a) The Commercial and Institutional Power Producer shall use Commercially Reasonable Efforts to attain Commercial Operation of the Facility by Target COD.
- (b) The Commercial and Institutional Power Producer acknowledges and agrees that if Commercial Operation has not been attained by Target COD, the Support Period shall not be extended.

2.6 Requirements for Commercial Operation

- (a) The Commercial and Institutional Power Producer will be deemed to have achieved commercial operation in respect of the Facility (“**Commercial Operation**”) at the point in time when, as subsequently confirmed by QEC in a written notice to the Commercial and Institutional Power Producer as described in Section 2.6(c) and subject to the provisos set forth below:
 - (i) Completion of the connection of the Facility to the Power Distribution System in accordance with the Generation and Connection Agreement;
 - (ii) QEC has received from the Commercial and Institutional Power Producer copies of all Governmental Approvals issued by the applicable Governmental Authorities which are required to construct, operate and maintain the Facility;
 - (iii) QEC has received an IE Certificate directly from the Independent Engineer, which confirms that:
 - (A) the Facility and the Connection Facilities have been completed in all material respects, excepting punch list items that do not materially and adversely affect the ability of the Facility to operate in accordance with this Agreement, Good Electric Industry Practice, and all Applicable Laws;
 - (B) the total installed rated capacity of the Facility to generate Electricity is equal to at least 90% of the Contract Capacity; and
 - (C) the Facility has been constructed, connected, commissioned and synchronized to the Power Distribution System; and
 - (iv) QEC has received a certificate addressed to it from the Commercial and Institutional Power Producer in the Prescribed Form with respect to the

Commercial Operation of the Facility, together with such supporting documentation required to be provided to QEC, as referenced in such form,

provided that Commercial Operation shall not in any event occur prior to the Earliest Support Payment Date.

- (b) QEC or its Related Parties shall be entitled, at QEC's option, to attend any performance and generation test(s) for purposes of Section 2.6(a)(iii)(C) and the Commercial and Institutional Power Producer shall provide to QEC a reasonable period in advance confirmation in writing of the timing of such test(s).
- (c) QEC shall notify the Commercial and Institutional Power Producer in writing within thirty (30) Business Days following receipt of all of the documentation required by Section 2.6(a) as to whether such documentation is acceptable to QEC, acting reasonably. If QEC determines that such documentation is not acceptable, QEC shall provide to the Commercial and Institutional Power Producer reasonable particulars in respect of any deficiencies in the achievement of Commercial Operation, in which case the Commercial and Institutional Power Producer's obligations set forth in Sections 2.5(a), and the provisions of this Section 2.6, shall continue to apply *mutatis mutandis*.

2.7 Generation Prior to the Earliest Support Payment Date

Notwithstanding anything to the contrary contained herein, the Commercial and Institutional Power Producer shall not be compensated with respect to any Electricity generated and Delivered prior to the Earliest Support Payment Date.

ARTICLE 3 OPERATION OF THE FACILITY

3.1 Operation Covenants

- (a) The Commercial and Institutional Power Producer shall own or lease the Facility during the Term.
- (b) The Commercial and Institutional Power Producer shall operate and maintain the Facility during the Support Period using Good Electric Industry Practice and meeting all applicable requirements of the Authoritative Documents, the applicable QEC Tariff, the Generation and Connection Agreement, and any other Governmental Approvals applicable to such Facility, and all other Applicable Laws.
- (c) The Commercial and Institutional Power Producer shall connect the Facility exclusively to the Point of Interconnection, and shall deliver all Electricity through the Point of Interconnection.
- (d) The Commercial and Institutional Power Producer shall be solely responsible for operating and maintaining the Facility, including obtaining and maintaining in good standing all Governmental Approvals required under Applicable Law, and for all costs, expenses, liabilities and other obligations associated therewith.
- (e) The Commercial and Institutional Power Producer covenants to provide QEC within five (5) Business Days of its receipt, copies of all: notices of violation or pending proceedings;

complaints made to any Governmental Authority; and actions, suits, proceedings, demands, judgments, directives or orders delivered or issued by any Person or Governmental Authority to or in respect of: (i) the Commercial and Institutional Power Producer; (ii) the Facility; or (iii) the operator (if applicable) or any Person responsible for the overall operation, maintenance, repair or management of the Facility, or for any substantial component of such operation, maintenance, repair or management.

- (f) The Commercial and Institutional Power Producer covenants and agrees that the Facility shall not utilize any source of fuel other than the fuel identified in Schedule 1;
- (g) The Commercial and Institutional Power Producer shall obtain and maintain any resource rights that are required for the operation of the Facility throughout the Term.

3.2 Insurance Covenants

- (a) The Commercial and Institutional Power Producer shall put in effect and maintain, or cause its Subcontractors, where appropriate, to maintain, with insurers licenced in Nunavut, from the commencement of construction of the Facility to the Commercial Operation Date, at its own cost and expense, all the necessary and appropriate insurance required under all Applicable Law (including workers' compensation insurance coverage for all personnel of the Commercial and Institutional Power Producer and any Subcontractor of any tier) as well as those that a prudent Person in the business of developing and operating the Facility would maintain including policies for "all-risk" property insurance covering not less than the probable maximum loss of the Facility, "all-risk" equipment breakdown insurance, "wrap-up" liability insurance and "commercial general liability" insurance with a rider to extend coverage to include Environmental Incidents.
- (b) The Commercial and Institutional Power Producer shall put in effect and maintain, or cause its Subcontractors, where appropriate, to maintain, with insurers licenced in Nunavut, from the Commercial Operation Date to the expiry of the Term, at its own cost and expense, all the necessary and appropriate insurance required under Applicable Law (including workers' compensation insurance coverage for all personnel of the Commercial and Institutional Power Producer and any Subcontractor tier) as well as those that a prudent Person in the business of developing and operating the Facility would maintain.
- (c) Any policies described in this Section 3.2 must: (i) for any property insurance, contain a waiver of subrogation in favour of the Indemnitees; and (ii) for any liability insurance, include the Indemnitees as additional insureds with respect to liability arising in the course of performance of the obligations under, or otherwise in connection with, this Agreement, in which case the policy shall be non-contributing and primary with respect to coverage in favour of the Indemnitees. The limit for liability policies described in this Section 3.2 shall be for an amount appropriate for the size and scope of the Facility.
- (d) The Commercial and Institutional Power Producer shall provide QEC with a certified true copy of the insurance policies required in this Section 3.2, which confirms the relevant coverage, including endorsements on or before the commencement of the construction of the Facility, and renewals or replacements on or before the expiry of any such insurance.

ARTICLE 4
ADDITIONAL COVENANTS OF COMMERCIAL AND INSTITUTIONAL POWER PRODUCER

4.1 Compliance with Applicable Laws

- (a) The Commercial and Institutional Power Producer shall comply, in all material respects, with all Applicable Laws required to perform or comply with its obligations under this Agreement.
- (b) The Commercial and Institutional Power Producer shall furnish, in a timely manner, information to Governmental Authorities. The Commercial and Institutional Power Producer shall obtain and maintain in good standing any Governmental Approval required to perform or comply with its obligations under this Agreement.

4.2 Meter and Other Data

The Commercial and Institutional Power Producer shall notify QEC of any errors and omissions in any metered data or information on a timely basis to permit QEC, within a reasonable time, to correct such errors and omissions pursuant to this Agreement. Upon the Commercial and Institutional Power Producer becoming aware of any errors or omissions in any such metered data or information, the Commercial and Institutional Power Producer shall notify QEC and provide such additional detail as QEC may require to verify and correct such errors and omissions.

4.3 Reporting Requirements

- (a) By the tenth (10th) Business Day of each calendar quarter following the date of this Agreement and continuing until the Commercial Operation Date, the Commercial and Institutional Power Producer shall provide QEC with:
 - (i) Quarterly progress reports substantially in the form of the applicable Prescribed Form describing the status of efforts made by the Commercial and Institutional Power Producer to meet the Target COD; the progress of the design and construction work; the status of Governmental Approvals relating to the Project; and the progress of all applicable Reportable Events (the “**Quarterly Progress Reports**”). At QEC’s request, the Commercial and Institutional Power Producer shall provide an opportunity for QEC to meet with appropriate personnel of the Commercial and Institutional Power Producer to discuss and assess the contents of the Quarterly Progress Reports. The Commercial and Institutional Power Producer acknowledges that photographs of the Project, Facility or construction work may be posted or printed by QEC on its website or in publications; and
 - (ii) a report as soon as it becomes aware of the occurrence of any events, or the existence of any facts or circumstances, which would materially impact the Commercial and Institutional Power Producer’s ability to perform any of its obligations under this Agreement.
- (b) In addition to the Quarterly Progress Reports, which the Commercial and Institutional Power Producer is required to provide pursuant to Section 4.3(a), the Commercial and Institutional Power Producer shall, throughout the Term of this Agreement, provide QEC with:

- (i) notice of any incident, event or concern that could have a Material Adverse Effect on the Commercial and Institutional Power Producer or a Material Adverse Effect on the Project, promptly and, in any event, within ten (10) Business Days following the later of:
 - (A) the Commercial and Institutional Power Producer becoming aware of any such incident, event or concern occurring or arising; and
 - (B) the Commercial and Institutional Power Producer becoming aware of the materiality of same, with such timing in each case based upon the Commercial and Institutional Power Producer having acted in accordance with Good Electric Industry Practice; and
- (ii) a response delivered in a timely manner to any reasonable inquiry made by QEC in relation to any aspect of the Project or this Agreement.
- (c) The Commercial and Institutional Power Producer shall, within one hundred eighty (180) days of Commercial Operation, provide QEC with a break-down of all costs it has incurred in respect of the Project into North American Industry Classification System (NAICS) categories, all at the level of detail and in accordance with the categorization methodology requested by QEC.

ARTICLE 5

RENEWABLE ATTRIBUTES AND RELATED PRODUCTS

5.1 Renewable Attributes

- (a) During the Term, the Commercial and Institutional Power Producer hereby transfers and assigns to, or to the extent transfer or assignment is not permitted, holds in trust for, QEC, which shall thereafter retain, all rights, title, and interest in all Renewable Attributes generated by the Facility. The Parties acknowledge and agree that, in any Settlement Month the value of the consideration payable by QEC for the Renewable Attributes transferred to, assigned to or otherwise held in trust for QEC pursuant to this Agreement shall be equal to the Monthly Support Payment for such Settlement Month.
- (b) The Commercial and Institutional Power Producer shall from time to time, upon written direction of QEC, take all such actions and do all such things necessary to effect the transfer and assignment to, or holding in trust for, QEC, all rights, title, and interest in all Renewable Attributes as set out in Section 5.1(a).
- (c) The Commercial and Institutional Power Producer shall from time to time, upon written direction of QEC, take all such actions and do all such things necessary for the Commercial and Institutional Power Producer to certify, obtain, qualify, and register with the relevant authorities or agencies (including but not limited to EcoLogo) Renewable Attributes (including for certainty, “renewable energy certificates” or similar certificates or instruments) that are generated by or associated with the Facility during the Term for the purposes of transferring such Renewable Attributes (and the associated certificates or instruments) to QEC in accordance with Section 5.1(a). Such directions under this Section 5.1(c) may, at QEC’s election, include registering any such Renewable Attributes (and the associated certificates or instruments) in the name of QEC, or transferring or

depositing any such Renewable Attributes (and the associated certificates or instruments) to accounts held by QEC.

- (d) The Commercial and Institutional Power Producer shall be wholly responsible for all costs associated with complying with the requirements specified in this Section 5.1.

5.2 Electricity, Related Products and Capacity Products

- (a) All Electricity, Capacity Products, and Ancillary Services generated at or by the Facility shall belong to QEC.

ARTICLE 6 PAYMENTS AND SETTLEMENT

6.1 Monthly Support Payments

- (a) QEC shall calculate a Support Amount for each Settlement Interval and a Monthly Support Payment for each Settlement Month, all in accordance with Sections 6.1(b) to (c).
- (b) For each Settlement Interval in a Settlement Month during the Support Period, the “**Support Amount**” shall be an amount equal to the Metered Energy multiplied by the Strike Price applicable during the corresponding Settlement Interval *provided that* if in any Settlement Interval the Metered Energy exceeds the Contract Capacity multiplied by one Settlement Interval, then the Contract Capacity multiplied by one Settlement Interval shall be used instead of the Metered Energy for purposes of the calculation set out in this Section 6.1(b).
- (c) The Monthly Support Payment for each Settlement Month during the Support Period shall be an amount equal to the sum of the Support Amount in respect of each Settlement Interval in such Settlement Month. Where the Monthly Support Payment in respect of a Settlement Month is a positive number, such amount shall be owed by QEC to the Commercial and Institutional Power Producer.

6.2 Statements

- (a) QEC will prepare and deliver to the Commercial and Institutional Power Producer a settlement statement (a “**Statement**”) within twenty (20) Business Days after the end of each calendar month in the Support Period that is the subject of the Statement (the “**Settlement Month**”). To the extent that information required to prepare a Statement is not available to QEC at the time of the preparation, QEC may issue a Statement on an estimated basis using the best available information that it has at that time and then include an adjustment pursuant to Section 6.2(b) to reflect the actual information in the next Statement after such information becomes available to QEC.
- (b) Each Statement for a Settlement Month will set forth the amount of, and basis for:
 - (i) the Monthly Support Payment to be paid by QEC to the Commercial and Institutional Power Producer in respect of such Settlement Month;

- (ii) any adjustments to the Metered Energy in respect of prior Settlement Month and the corresponding adjustments to the above-referenced fees and payments;
- (iii) any other payments owing under this Agreement by either Party to the other;
- (iv) any applicable GST; and
- (v) the total amount owing by QEC to the Commercial and Institutional Power Producer (the “**Monthly Payment**”).

Each Statement may be delivered or made available by QEC to the Commercial and Institutional Power Producer by e-mail or other electronic means, and will include the reference number assigned to this Agreement by QEC and such supporting information as may be determined by QEC, acting reasonably.

6.3 Payments

The Party owing the Monthly Payment shall remit to the other Party full payment in respect of the Statement no later than twenty (20) Business Day following the date of the Statement (the “**Settlement Date**”). All payments required by either Party under any provision of this Agreement shall be made by wire transfer to the applicable account designated in Section 6.7.

6.4 Disputed Statements

- (a) If the Commercial and Institutional Power Producer disputes a Statement or any portion thereof, the Party owing any amount set forth in such Statement shall, notwithstanding such dispute, pay the entire amount set forth therein to the other Party. The Commercial and Institutional Power Producer shall, within ten (10) Business Days of its receipt of the Statement, provide notice to QEC setting out the portions of the Statement that are in dispute with a brief explanation of the dispute. If it is subsequently determined or agreed that an adjustment to such Statement is appropriate, such adjustments will be accounted for as prior period adjustments in the next Statement which QEC subsequently issues after such determination or agreement was made. Failure of the Commercial and Institutional Power Producer to deliver to QEC a notice to dispute the Statement within such ten (10) Business Days period shall be deemed to be an acceptance by the Commercial and Institutional Power Producer of such Statement.
- (b) If a Statement dispute has not been resolved between the Parties within ten (10) Business Days after receipt of notice of such dispute by the Commercial and Institutional Power Producer, the dispute may be submitted by either Party to a Senior Conference pursuant to the terms of Section 16.1.

6.5 Adjustment to Final Statements

- (a) Each final Statement shall be subject to adjustment for errors in arithmetic, computation, or other errors, raised by a Party during the period of twelve (12) months following the end of the calendar year in which such Statement was issued. If no complaints are raised within such time period, or if any complaints raised in such time period have been resolved, such Statement shall be final and subject to no further adjustment after the expiration of such period.

- (b) Any adjustment to a Statement made pursuant to this Section 6.5 shall be made in the next subsequent Statement.

6.6 Interest

The Party owing the Monthly Payment shall pay interest on any late payment to the other Party, at the Prime Rate, calculated daily, from the Settlement Date to the date of payment, unless such late payment was due to the fault of the other Party.

6.7 Payment Account Information

Accounts for payments to the Commercial and Institutional Power Producer:

Bank:

Bank address:

Account Name:

Account Number:

Transit Number:

QEC acknowledges that the account information of the Commercial and Institutional Power Producer above constitutes the Commercial and Institutional Power Producer's Confidential Information and is subject to the obligations of QEC as set out in Article 15. The Commercial and Institutional Power Producer may change its account information from time to time by written notice to QEC in accordance with Section 15.1.

ARTICLE 7 TAXES

7.1 Commercial and Institutional Power Producer's Responsibility for Taxes

The Commercial and Institutional Power Producer is liable for and shall pay, or cause to be paid, or reimburse QEC, if QEC has paid, all Taxes applicable to the transfer or assignment of the Electricity, Capacity Products, Ancillary Services, and Renewable Attributes to QEC and in respect of which a credit, rebate, or refund has not and may not be obtained by QEC. In the event that QEC is required to remit such Taxes and QEC is not entitled to a credit, rebate, or refund in respect of such payment of Taxes, the amount thereof shall be deducted from any sums becoming due to the Commercial and Institutional Power Producer hereunder.

7.2 GST

- (a) The amount payable by QEC to the Commercial and Institutional Power Producer under this Agreement is subject to GST.
- (b) All amounts payable by the Commercial and Institutional Power Producer to QEC under this Agreement are exclusive of GST. GST is payable in respect of such amounts and QEC shall add it onto the Statement and pay it to the Commercial and Institutional Power Producer.

- (c) The Commercial and Institutional Power Producer represents and warrants to QEC that it is, and at all times for the purposes of this Agreement shall be, a registrant for the purposes of GST and that the Commercial and Institutional Power Producer's GST registration number is . The Commercial and Institutional Power Producer shall advise QEC of any changes in its GST registration number or its GST registration status.
- (d) QEC represents and warrants to the Commercial and Institutional Power Producer that it is, and at all times for the purposes of this Agreement shall be, a registrant for the purposes of GST collection and remittance and that QEC's GST registration number is: .

7.3 Non-residency

- (a) If the Commercial and Institutional Power Producer is a non-resident of Canada, for purposes of the ITA or is a partnership that is not a Canadian partnership as defined in the ITA, then payments under this Agreement by QEC shall be reduced by the amount of any applicable withholding or other similar Taxes and QEC shall remit such withholding or other similar Taxes to the applicable taxing authorities. QEC shall, within sixty (60) days after remitting such Taxes, notify the Commercial and Institutional Power Producer in writing, providing reasonable detail of such payment so that the Commercial and Institutional Power Producer may claim any applicable rebates, refunds or credits from the applicable taxing authorities. If, after QEC has paid such amounts, QEC receives a refund, rebate or credit on account of such Taxes, then QEC shall promptly remit such refund, rebate or credit amount to the Commercial and Institutional Power Producer.
- (b) If the Commercial and Institutional Power Producer is or becomes a non-resident of Canada, for purposes of the ITA or ceases to be a Canadian partnership as defined in the ITA, the Commercial and Institutional Power Producer shall notify QEC forthwith of such status and shall provide QEC with all such information reasonably required by QEC to comply with any withholding tax or other tax obligations to which QEC is or may become subject as a result of thereof.

ARTICLE 8 RECORDS, AUDIT AND INSPECTION

8.1 Records and Audit

Following the execution and delivery of this Agreement, and at any time up to two (2) years following expiry of the Term, QEC may, upon reasonable notice to the Commercial and Institutional Power Producer, audit matters relating to the Commercial and Institutional Power Producer's compliance with this Agreement or payments by or to QEC within the seven (7) year period prior to the date of such notice. The Commercial and Institutional Power Producer shall, during any such seven (7) year period: (a) maintain in an appropriate form, full accounting and other records in respect of performance by it of its obligations under this Agreement, as well as all books and records necessary to support and verify the information contained in, or with respect to, each Statement, Monthly Support Payment or other payment by or to QEC; and (b) keep those records available to be audited, copied or inspected by QEC and its authorized representatives at all reasonable times upon reasonable notice; in either case for the purpose of determining the Commercial and Institutional Power Producer's compliance with this Agreement, verifying any Statement, Monthly Support Payment or other payment by or to QEC, or auditing any invoice or written demand for payment rendered hereunder. The Commercial and Institutional Power Producer shall, within twenty (20) Business Days of receiving notice from QEC of an error or discrepancy with respect to the amount of any such Statement, Monthly Support Payment, other payment, invoice or written demand, either

pay QEC the amount claimed in such notice, or dispute the amount of such claim in good faith and in writing to QEC, which dispute shall be resolved in accordance with the provisions of Article 16. Failure of the Commercial and Institutional Power Producer to respond to any such notice of an error or discrepancy in the foregoing manner within such twenty (20) Business Day period shall be deemed to be an acceptance by the Commercial and Institutional Power Producer of the amount claimed in such notice, and the amount claimed shall immediately be due and payable from the Commercial and Institutional Power Producer to QEC.

8.2 Inspection

- (a) QEC and its representatives shall, at all times upon two (2) Business Days' prior notice, at any time after the Contract Date, have access to the Facility and every part thereof, and all relevant records during regular business hours and the Commercial and Institutional Power Producer shall, and shall cause all personnel operating and managing the Facility, to furnish QEC with all reasonable assistance in inspecting the Facility (including the right to be provided with copies of any and all written records and downloads of any and all electronic records as reasonably required) for the purpose of ascertaining compliance with this Agreement; provided that such access and assistance shall be carried out in accordance with and subject to the reasonable safety and security requirements of the Commercial and Institutional Power Producer and all personnel operating and managing the Facility, as applicable, and shall not interfere with the operation of the Facility. The Commercial and Institutional Power Producer shall ensure that any confidentiality agreements or arrangements between it and any third party (including any Subcontractor or other supplier of goods or services to the Commercial and Institutional Power Producer) shall not have the effect of preventing, impairing or delaying any disclosure or access to or by QEC or any of its representatives as contemplated in this Section 8.2.
- (b) For purposes of any such inspection referenced in Section 8.2(a), QEC may at all reasonable times perform any measurement, test or investigation it deems necessary to determine compliance with this Agreement. The Commercial and Institutional Power Producer shall obtain from all Subcontractors, third parties or manufacturers any permission or consent which is necessary to enable QEC's representatives to perform such measurement, test or investigation. The Commercial and Institutional Power Producer shall provide reasonable cooperation (but without obligation to incur material expense) to facilitate any such measurements, tests or other investigations. QEC shall conduct all such measurements, tests and investigations in a manner that will not materially disturb, interfere with or disrupt the Project or the construction or operation of the Facility.
- (c) The inspection of the Facility by or on behalf of QEC shall not relieve the Commercial and Institutional Power Producer of any of its obligations to comply with the terms of this Agreement. No Commercial and Institutional Power Producer Event of Default will be waived or be deemed to have been waived by any inspection by or on behalf of QEC. In no event will any inspection by QEC hereunder be a representation that there has been or will be compliance with this Agreement and Applicable Laws.

8.3 No Waiver

Failure by QEC to inspect the Facility or any part thereof under Section 8.2, or to exercise its audit rights under Section 8.1, shall not constitute a waiver of any of the rights of QEC hereunder. An inspection or audit not followed by a notice of a Commercial and Institutional Power Producer Event of Default shall not constitute or be deemed to constitute a waiver of any Commercial and Institutional Power Producer Event

of Default, nor shall it constitute or be deemed to constitute an acknowledgement that there has been or will be compliance by the Commercial and Institutional Power Producer with this Agreement.

ARTICLE 9 FORCE MAJEURE

9.1 Effect of Invoking Force Majeure

- (a) If, by reason of Force Majeure:
 - (i) the Commercial and Institutional Power Producer is wholly or substantially prevented from operating or maintaining the Facility in accordance with any of its obligations set forth in Section 3.1; or
 - (ii) either Party is wholly or partially prevented from commencing or continuing performance of, or from complying with, any of its other obligations (other than payment obligations) hereunder, including the Commercial and Institutional Power Producer being unable to achieve Commercial Operation by the Target COD;

then the Party so affected by Force Majeure shall be excused and relieved from performing or complying with such obligations (other than payment obligations) and shall not be liable for any liabilities, damages, losses (including Indemnifiable Losses in the case of any Force Majeure affecting or invoked by the Commercial and Institutional Power Producer), payments, costs, expenses to, or incurred by, the other Party in respect of or relating to such Force Majeure and such Party's failure to so perform or comply during the continuance and to the extent of the inability so caused from and after the invocation of Force Majeure.

- (b) A Party shall be deemed to have invoked Force Majeure, with effect from the commencement of the event or circumstances constituting Force Majeure, when that Party gives to the other Party prompt written notice in substantially the Prescribed Form, provided that such notice shall in all events be given within twenty (20) Business Days of the later of: (i) the commencement of the event or circumstances constituting Force Majeure; or (ii) the date that the Party invoking Force Majeure knew or ought to have known that the event or circumstances constituting Force Majeure could have a material adverse effect on the development or operation of the Facility. If the effect of the Force Majeure and full particulars of the cause thereof cannot be reasonably determined within such twenty (20) Business Day period, the Party invoking Force Majeure shall be allowed a further ten (10) Business Days (or such longer period as the Parties may agree in writing) to provide such full particulars in the Prescribed Form to the other Party. The Party invoking Force Majeure shall in all cases have the burden of proof to establish both the existence and the effect of the event of Force Majeure.
- (c) The Party invoking Force Majeure shall use Commercially Reasonable Efforts to remedy the situation and remove, so far as possible and with reasonable dispatch, the Force Majeure, but settlement of strikes, lockouts and other labour disturbances shall be wholly within the discretion of the Party involved. Upon the request of QEC, the Commercial and Institutional Power Producer shall: (i) provide to QEC information and documentation confirming to the satisfaction of QEC, acting reasonably, that such Commercially Reasonable Efforts were used; and (ii) represent and warrant that such information and documentation are true, complete and accurate in all material respects and that no material

information is omitted that would make such information or documentation misleading or inaccurate.

- (d) The Party invoking Force Majeure shall provide the other Party with any new information or other documentation that it receives or becomes aware of from time to time with respect to the event of Force Majeure (including any information or documentation that renders previously provided information materially inaccurate or misleading). In particular, the Party invoking Force Majeure shall give prompt written notice to the other Party as soon as the event of Force Majeure has ceased or terminated, and of the time when performance of its affected obligations can be resumed.
- (e) A Party may make multiple but not duplicative claims in respect of the occurrence of an event of Force Majeure, and both Parties may make claims in respect of the same event of Force Majeure.
- (f) Nothing in this Section 9.1 shall relieve a Party of its obligations to make payments of any amounts that were due and owing before the occurrence of the Force Majeure or that otherwise may become due and payable during any period of Force Majeure.
- (g) If an event of Force Majeure causes the Commercial and Institutional Power Producer to:
 - (i) delay achieving or completing any of the Key Development Milestones; or
 - (ii) to not achieve Commercial Operation by Target COD; then each of Target COD, and the COD Longstop Date shall be extended for such reasonable period of delay directly resulting from such Force Majeure event. After the Commercial Operation Date, an event of Force Majeure shall not extend the Term.
- (h) Where a Commercial and Institutional Power Producer has invoked Force Majeure as provided in Section 9.1(b) and where such period or periods of Force Majeure (as determined with respect to each such period from the date the Force Majeure was deemed to be invoked under Section 9.1(b) until the termination of the event or circumstances constituting Force Majeure as provided in Section 9.1(d)) were in effect (whether prior to or during the Support Period) for not less than:
 - (i) eighteen (18) months in the case of a single Force Majeure; or
 - (ii) an aggregate of twenty-four (24) months in the case of more than one such period;then notwithstanding anything in this Agreement to the contrary, either Party may terminate this Agreement upon notice to the other Party and without any costs or payments of any kind to either Party.

9.2 Exclusions

A Party shall not be entitled to invoke Force Majeure under this Article 9, nor shall it be relieved of its obligations hereunder in any of the following circumstances:

- (a) if and to the extent the Party seeking to invoke Force Majeure or its Affiliate has caused the applicable event of Force Majeure by its fault or negligence, or in connection with its breach of, or failure to comply with, this Agreement or any Applicable Law;

- (b) if and to the extent the Party is seeking to invoke Force Majeure as a result of the failure of performance of any other third party that is or was a direct or indirect vendor, materials supplier, service provider or other supplier, or customer, to or of such Party, unless such failure of performance of such third party was itself caused by an event that would be considered an event of Force Majeure under this Agreement, in which case the provisions of this Article 9 shall apply to such event *mutatis mutandis*;
- (c) if the Force Majeure was caused by a lack of funds or other financial cause including the inability of the Commercial and Institutional Power Producer to secure financing;
- (d) if the Party invoking Force Majeure fails to comply with the notice provisions in Section 9.1(b) or Section 9.1(d);
- (e) if any proceeding is brought before any Court by a third party seeking to repeal, cancel, revoke or terminate any other Governmental Approval issued in connection with the Project (an “**Appeal**”), unless such proceeding does not relate to any wrongful or negligent act on the part of the Commercial and Institutional Power Producer or Commercial and Institutional Power Producer Related Party, and the Commercial and Institutional Power Producer is ordered by the Court to cease construction of the Facility for the duration of the proceeding; or
- (f) if and to the extent the Commercial and Institutional Power Producer is seeking to invoke Force Majeure because of its inability to obtain any consent, amendment or other approval of QEC pursuant to the terms of this Agreement.

9.3 Definition of Force Majeure

For the purposes of this Agreement, the term “**Force Majeure**” means any act, event, cause or condition that prevents a Party from performing its obligations (other than payment obligations) hereunder, but only if and to the extent such event or circumstance could not reasonably have been anticipated as at the Contract Date and is beyond the affected Party’s reasonable control and was not caused, directly or indirectly, by the fault or negligence of the Party seeking to have its performance obligation excused thereby, and shall include:

- (a) acts of God, including pandemic extreme wind, ice, lightning or other storms, earthquakes, tornadoes, hurricanes, cyclones, landslides, drought, floods and washouts;
- (b) fires (or wildfires) or explosions;
- (c) local, regional or national states of emergency;
- (d) strikes and other labour disputes (other than legal strikes or labour disputes by employees of (i) such Party, or (ii) a third party contractor of such Party, unless, in either such case, such strikes or other labour disputes are the result or part of a general industry strike or labour dispute);
- (e) delays or disruptions (including those arising from events of Force Majeure referred to in this Section 9.3) in the construction of any Connection Facilities that are required for the Facility to Deliver Electricity;

- (f) civil disobedience or disturbances, war (whether declared or not), acts of sabotage, blockades, insurrections, terrorism, revolution, riots or epidemics;
- (g) subject to Section 9.2(a), an order, judgment, legislation, ruling or direction by Governmental Authorities restraining a Party, provided that the affected Party has not applied for or assisted in the application for and has used Commercially Reasonable Efforts to oppose said order, judgment, legislation, ruling or direction;
- (h) an inability to obtain any permit, certificate, licence or approval of any Governmental Authority or QEC required to perform or comply with any obligation under this Agreement (except where due to the failure to meet a requirement which was reasonably foreseeable), unless caused by the action or inaction of the Party invoking Force Majeure; and
- (i) an inability to secure the renewal or amendment of, any permit, certificate, licence or approval of any Governmental Authority or QEC required to perform or comply with any obligation under this Agreement, unless caused by the action or inaction of the Party invoking Force Majeure.

ARTICLE 10 REPRESENTATIONS AND WARRANTIES

10.1 Representations of the Commercial and Institutional Power Producer

The Commercial and Institutional Power Producer represents to QEC as follows, and acknowledges that QEC is relying on such representations in entering into this Agreement:

- (a) the Commercial and Institutional Power Producer is duly formed and validly existing under the laws of the jurisdiction of its formation or incorporation; and if the Commercial and Institutional Power Producer is a limited partnership, the Commercial and Institutional Power Producer's general partner is duly organized, validly existing, in good standing, and registered and otherwise lawfully authorized to do business under the laws of Nunavut; and if the Commercial and Institutional Power Producer is a partnership, the Commercial and Institutional Power Producer's partners are duly organized, validly existing, in good standing, and registered and otherwise lawfully authorized to do business under the laws of Nunavut. For clarity, the Commercial and Institutional Power Producer is not a natural person or an unincorporated joint venture;
- (b) the Commercial and Institutional Power Producer is registered or otherwise qualified to carry on business in Nunavut and has the requisite power to enter into this Agreement and to perform its obligations hereunder; and if the Commercial and Institutional Power Producer is a limited partnership, the Commercial and Institutional Power Producer's general partner has the capacity, power and authority as the general partner of the Commercial and Institutional Power Producer to enter into this Agreement for and on behalf of the Commercial and Institutional Power Producer and to perform its obligations hereunder; and if the Commercial and Institutional Power Producer is a partnership, the Commercial and Institutional Power Producer's partner executing this Agreement has the capacity, power and authority as a partner of the Commercial and Institutional Power Producer to enter into this Agreement for and on behalf of the Commercial and Institutional Power Producer and to perform its obligations hereunder;

- (c) this Agreement has been duly authorized, executed, and delivered by the Commercial and Institutional Power Producer and is a valid and binding obligation of the Commercial and Institutional Power Producer enforceable in accordance with its terms except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except that equitable remedies may only be granted in the discretion of a Court;
- (d) the execution and delivery of this Agreement by or on behalf of the Commercial and Institutional Power Producer, and the consummation of the transactions contemplated by this Agreement will not result in the breach or violation of any of the provisions of, or constitute a default under, or conflict with or cause the termination, cancellation or acceleration of any material obligation of the Commercial and Institutional Power Producer under:
 - (i) any contract or obligation to which the Commercial and Institutional Power Producer is a party or by which it or its assets may be bound, except for such defaults or conflicts as to which requisite waivers or consents have been obtained;
 - (ii) the articles, by-laws or other constating documents, or resolutions of the directors or shareholders of the Commercial and Institutional Power Producer;
 - (iii) any judgment, decree, order or award of any Governmental Authority or arbitrator;
 - (iv) any licence, permit, approval, consent or authorization held by the Commercial and Institutional Power Producer; or
 - (v) any Applicable Law;
- (e) there is no bankruptcy, insolvency, reorganization, receivership, seizure, realization, arrangement or other similar proceedings pending against or being contemplated by the Commercial and Institutional Power Producer, to the knowledge of the Commercial and Institutional Power Producer, threatened against the Commercial and Institutional Power Producer;
- (f) there are no actions, suits, proceedings, judgments, rulings or orders by or before any Governmental Authority or arbitrator, or, to the knowledge of the Commercial and Institutional Power Producer, threatened against the Commercial and Institutional Power Producer, that could have a Material Adverse Effect on the Commercial and Institutional Power Producer;
- (g) all statements, specifications, data, confirmations, representations and information that have been set out in the Proposal and supporting evidence and documentation are complete and accurate in all material respects and are hereby restated and reaffirmed by the Commercial and Institutional Power Producer as representations made to QEC hereunder and there is no material information omitted from the Proposal or supporting evidence or documentation which would make the information in the Proposal or supporting evidence or documentation misleading or inaccurate;
- (h) the Commercial and Institutional Power Producer has, to the best of its knowledge after due investigation and inquiry, either in the Proposal or in formal communications with QEC, made plain and true disclosure to QEC of all facts and circumstances regarding the

Commercial and Institutional Power Producer, its intended Subcontractors, and the financing of the Project that might reasonably be material to the willingness of QEC to enter into this Agreement with the Commercial and Institutional Power Producer;

- (i) all requirements for the Commercial and Institutional Power Producer to make any filing, declaration or registration with, give any notice to or obtain any licence, permit, inspection, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to entering into this Agreement have been satisfied;
- (j) the Commercial and Institutional Power Producer has no reason to believe, acting reasonably, that Commercial Operation may not be achieved by the Target COD;
- (k) the Commercial and Institutional Power Producer is in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect on the Commercial and Institutional Power Producer or the Project;
- (l) unless the Commercial and Institutional Power Producer has otherwise notified QEC pursuant to Section 7.3(b), the Commercial and Institutional Power Producer is not a non-resident of Canada for the purposes of the ITA; and
- (m) the Commercial and Institutional Power Producer:
 - (i) has made all due inquiry into the requirements for obtaining any applicable Governmental Approvals, including any applicable environmental approvals or registrations; and
 - (ii) is aware, acknowledges and agrees that it shall only be entitled to Force Majeure relief in respect of failure to fulfill any such requirements that were reasonably unforeseeable.

In addition, the Commercial and Institutional Power Producer shall, upon delivery of each of the Quarterly Progress Reports required to be provided to QEC pursuant to Section 4.3(a), represent in writing that each of the foregoing statements set out in Section 10.1(a) to (m), inclusive. Such qualified representation provided by the Commercial and Institutional Power Producer to QEC shall be subject, however, to the rights of QEC in Section 13.1(e) to require the Commercial and Institutional Power Producer to cure or remove any such qualification with respect to such statement.

10.2 Representations of QEC

QEC represents to the Commercial and Institutional Power Producer as follows, and acknowledges that the Commercial and Institutional Power Producer is relying on such representations in entering into this Agreement:

- (a) QEC is duly incorporated under the laws of Nunavut;
- (b) QEC has all necessary power, authority and capacity to enter into this Agreement and to perform its obligations under this Agreement;
- (c) this Agreement constitutes a legal and binding obligation on QEC, enforceable against QEC in accordance with its terms; and

- (d) any individual signing this Agreement on behalf of QEC has been duly authorized by QEC to sign this Agreement and has the full power and authority to bind QEC.

ARTICLE 11 LIABILITY AND INDEMNIFICATION

(The provisions of this Article 11 shall not apply where the Commercial and Institutional Power Producer is the Government of Nunavut (GN), a territorial corporation or public agency of the GN.)

11.1 Exclusion of Consequential Damages

Notwithstanding anything contained herein to the contrary, neither Party will be liable under this Agreement or under any cause of action relating to the subject matter of this Agreement for any special, indirect, incidental, punitive, exemplary or consequential damages, including loss of profits (save and except as provided in Section 5.1(c)), loss of use of any property or claims of customers or contractors of the Parties for any such damages.

11.2 Liquidated Damages

Nothing in this Article 11 shall reduce a Party's claim for liquidated damages pursuant to Section 13.2. The Commercial and Institutional Power Producer acknowledges and agrees that it would be extremely difficult and impracticable to determine precisely the amount of actual damages that would be suffered by QEC and the Government of Nunavut as result of a failure by the Commercial and Institutional Power Producer to meet its obligations under this Agreement. The Commercial and Institutional Power Producer further acknowledges and agrees that the liquidated damages set forth in this Agreement are a fair and reasonable approximation of the amount of actual damages that would be suffered by QEC and the Government of Nunavut as a result of a failure by the Commercial and Institutional Power Producer to meet its obligations under this Agreement, and does not constitute a penalty.

11.3 Indemnification

The Commercial and Institutional Power Producer shall indemnify, defend and hold QEC, the Government of Nunavut, the members of the Government of Nunavut's Executive Council and their respective Affiliates, and each of the foregoing Persons' respective officers, directors, members, employees, shareholders, consultants, advisors, contractors (and their employees and subcontractors), agents and representatives (collectively, the "**Indemnitees**") harmless from and against any and all Claims, losses, damages, liabilities, penalties, obligations, payments, costs and expenses and accrued interest thereon (including the costs and expenses of, and accrued interest on, any and all actions, suits, proceedings for personal injury (including death) or property damage, assessments, judgments, settlements and compromises relating thereto and reasonable lawyers' fees and reasonable disbursements in connection therewith) (each, an "**Indemnifiable Loss**"), asserted against or suffered by the Indemnitees relating to, in connection with, resulting from, or arising out of: (a) any occurrence or event relating to the Facility, except to the extent that any injury or damage is attributable to the negligence or wilful misconduct of the Indemnitees or the failure of the Indemnitees to comply with Applicable Law; (b) any breach by the Commercial and Institutional Power Producer of any representations, warranties and covenants contained in this Agreement, except to the extent that any injury or damage is attributable to the negligence or wilful misconduct of the Indemnitees, and (c) a discharge of any contaminant into the natural environment, at or related to, the Facility and any fines or orders of any kind that may be levied or made in connection therewith pursuant to Applicable Law, except to the degree that such discharge shall have been due to the negligence or wilful misconduct of the Indemnitees. For greater certainty, in the event of contributory negligence or other fault of the Indemnitees, then such Indemnitees shall not be indemnified hereunder in the proportion that the Indemnitees' negligence or other fault contributed to any Indemnifiable Loss.

11.4 Defence of Claims

- (a) Promptly after receipt by the Indemnitees of any Claim or notice of the commencement of any action, administrative or legal proceeding, or investigation as to which the indemnity provided for in Section 11.3 may apply, QEC shall notify the Commercial and Institutional Power Producer in writing of such fact. The Commercial and Institutional Power Producer shall assume the defence thereof with counsel designated by the Commercial and Institutional Power Producer and satisfactory to the affected Indemnitees, acting reasonably; provided, however, that if the defendants in any such action include both the Indemnitees and the Commercial and Institutional Power Producer and the Indemnitees shall have reasonably concluded that there may be legal defences available to them which are different from or additional to, or inconsistent with, those available to the Commercial and Institutional Power Producer, the Indemnitees shall have the right to select separate counsel satisfactory to the Commercial and Institutional Power Producer acting reasonably (at no additional cost to the Indemnitees) to participate in the defence of such action on behalf of the Indemnitees. The Commercial and Institutional Power Producer shall promptly confirm that it is assuming the defence of the Indemnitees by providing written notice to the Indemnitees. Such notice shall be provided no later than five (5) Business Days prior to the deadline for responding to any Claim relating to any Indemnifiable Loss.
- (b) Should any of the Indemnitees be entitled to indemnification under Section 11.3 as a result of a Claim by a third-party, and the Commercial and Institutional Power Producer fails to assume the defence of such Claim (which failure shall be assumed if the Commercial and Institutional Power Producer fails to provide the notice prescribed by Section 11.4(a)), the Indemnitees shall, at the expense of the Commercial and Institutional Power Producer, contest (or, with the prior written consent of the Commercial and Institutional Power Producer, settle) such Claim, provided that no such contest need be made and settlement or full payment of any such Claim may be made without consent of the Commercial and Institutional Power Producer (with the Commercial and Institutional Power Producer remaining obligated to indemnify the Indemnitees under Section 11.3), if, in the written opinion of an independent third-party counsel chosen by the Contract Representatives, such Claim is meritorious. If the Commercial and Institutional Power Producer is obligated to indemnify any Indemnitees under Section 11.3, the amount owing to the Indemnitees will be the amount of such Indemnitees' actual out-of-pocket loss net of any insurance proceeds received or other recovery.

ARTICLE 12 TERM

12.1 Term

- (a) This Agreement shall become effective upon the Contract Date.
- (b) The term of this Agreement (the “**Term**”) means that period of time which commences upon execution of this Agreement and continues until the end of the Support Period, subject to any early termination in accordance with the provisions hereof.

ARTICLE 13 TERMINATION AND DEFAULT

13.1 Events of Default by the Commercial and Institutional Power Producer

Each of the following will constitute an event of default by the Commercial and Institutional Power Producer (each, a “**Commercial and Institutional Power Producer Event of Default**”):

- (a) the Commercial and Institutional Power Producer fails to make any payment when due (except to the extent that such amount is disputed in good faith through the dispute resolution procedure set out in Article 16), if such failure is not remedied within fifteen (15) Business Days after written notice of such failure from QEC;
- (b) the Commercial and Institutional Power Producer fails to comply with any Stop Work Notice, if such failure is not remedied within three (3) Business Days after written notice of such failure from QEC;
- (c) the Commercial and Institutional Power Producer fails to perform or is in default of any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Commercial and Institutional Power Producer Event of Default) if such failure is not remedied within fifteen (15) Business Days after written notice of such failure from QEC; provided that such cure period shall be extended by a further fifteen (15) Business Days if the Commercial and Institutional Power Producer is diligently remedying such failure and such failure is capable of being cured during such extended cure period;
- (d) the Commercial and Institutional Power Producer fails or ceases to hold a valid Governmental Approval where such failure or cessation results in, or could be reasonably expected to result in, a Material Adverse Effect on the Commercial and Institutional Power Producer or a material adverse effect on the Facility and is not remedied within thirty (30) Business Days after receipt by the Commercial and Institutional Power Producer of written notice of such failure or cessation from QEC; provided that such cure period shall be extended by a further thirty (30) Business Days if the Commercial and Institutional Power Producer is diligently remedying such failure or cessation and such failure or cessation is capable of being corrected during such extended cure period;
- (e) any representation made by the Commercial and Institutional Power Producer in this Agreement, excepting only the representations made in Section 10.1(m), is not true or correct in any material respect when made and is not made true or correct in all material respects within thirty (30) Business Days after receipt by the Commercial and Institutional Power Producer of written notice of such fact from QEC; provided that such cure period shall be extended by a further thirty (30) Business Days if the Commercial and Institutional Power Producer, in the reasonable opinion of QEC, is diligently correcting such breach and such breach is capable of being corrected during such extended cure period;
- (f) an effective resolution is passed or documents are filed in an office of public record in respect of, or a judgment or order is issued by a Court ordering, the dissolution, termination of existence, liquidation or winding up of the Commercial and Institutional Power Producer, unless such filed documents are immediately revoked or otherwise rendered inapplicable, or unless there has been a permitted and valid assignment of this Agreement by the Commercial and Institutional Power Producer under this Agreement to a Person

which is not dissolving, terminating its existence, liquidating or winding up and such Person has assumed all of the Commercial and Institutional Power Producer's obligations under this Agreement;

- (g) the Commercial and Institutional Power Producer amalgamates with, or merges with or into, or transfers the Facility or all or substantially all of its assets to, another Person unless, at the time of such amalgamation, merger or transfer, there has been a permitted and valid assignment hereof by the Commercial and Institutional Power Producer under this Agreement to the resulting, surviving or transferee Person and such Person has assumed all of the Commercial and Institutional Power Producer's obligations under this Agreement;
- (h) a receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy of the Commercial and Institutional Power Producer or of any of the Commercial and Institutional Power Producer's property is appointed by a Governmental Authority or pursuant to the terms of a debenture or a similar instrument, and such receiver, manager, receiver-manager, liquidator, monitor or trustee in bankruptcy is not discharged or such appointment is not revoked or withdrawn within thirty (30) Business Days of the appointment; by decree, judgment or order of a Governmental Authority, the Commercial and Institutional Power Producer is adjudicated bankrupt or insolvent, and such decree, judgment or order continues undischarged and unstayed for a period of thirty (30) Business Days after the entry thereof; or if any material part of the property of the Commercial and Institutional Power Producer is seized, attached, or sequestered, and such seizure, attachment, or sequestering is not successfully contested by the Commercial and Institutional Power Producer within thirty (30) Business Days; or a petition, proceeding or filing is made against the Commercial and Institutional Power Producer seeking to have the Commercial and Institutional Power Producer declared bankrupt or insolvent, or seeking adjustment or composition of any of its debts pursuant to the provisions of any Insolvency Legislation, and such petition, proceeding or filing is not dismissed or withdrawn within thirty (30) Business Days;
- (i) the Commercial and Institutional Power Producer makes an assignment for the benefit of its creditors generally under any Insolvency Legislation, or consents to the appointment of a receiver, manager, receiver-manager, monitor, trustee in bankruptcy, or liquidator for all or part of its property, or files a petition or proposal to declare bankruptcy or to reorganize pursuant to the provisions of any Insolvency Legislation;
- (j) the Commercial and Institutional Power Producer fails to own or lease the Facility during the Term;
- (k) the total installed rated capacity of the Facility to generate Electricity, as confirmed by the Independent Engineer, is greater than the Nameplate Capacity specified in Schedule 1;
- (l) the Commercial and Institutional Power Producer has permitted, undertaken, contracted for, or otherwise made a Facility Amendment that has not first been consented to by QEC pursuant to this Agreement;
- (m) the Commercial and Institutional Power Producer fails to achieve Commercial Operation on or before the COD Longstop Date;

- (n) the Commercial and Institutional Power Producer undergoes a change of Control in violation of Section 17.2 or ;
- (o) the Commercial and Institutional Power Producer assigns this Agreement or any rights, interests or obligations under this Agreement in violation of Section 17.1.

13.2 Remedies of QEC

- (a) If any Commercial and Institutional Power Producer Event of Default (other than a Commercial and Institutional Power Producer Event of Default relating to the Commercial and Institutional Power Producer referred to in Section 13.1(f), Section 13.1(h), and Section 13.1(i)) occurs and is continuing, QEC may elect to terminate this Agreement by providing written notice of termination to the Commercial and Institutional Power Producer upon or within a reasonable time of QEC becoming aware of the occurrence of such Commercial and Institutional Power Producer Event of Default.
- (b) If a Commercial and Institutional Power Producer Event of Default occurs and is continuing, QEC may, in addition to the remedy set out in Section 13.2(a), set off any payments due to the Commercial and Institutional Power Producer against any amounts payable by the Commercial and Institutional Power Producer to QEC.
- (c) Notwithstanding Section 13.2(a) and Section 13.2(b), upon the occurrence of a Commercial and Institutional Power Producer Event of Default relating to the Commercial and Institutional Power Producer referred to in Section 13.1(f), Section 13.1(h), or Section 13.1(i), this Agreement shall automatically terminate without notice, act or formality, effective immediately before the occurrence of such Commercial and Institutional Power Producer Event of Default.
- (d) If QEC terminates this Agreement pursuant to Section 13.2(a) or this Agreement is terminated pursuant to Section 13.2(c), QEC shall be entitled to exercise all remedies available to it, at law or in equity.
- (e) Termination shall not relieve the Commercial and Institutional Power Producer or QEC of their respective responsibilities relating to the Delivered Electricity, Renewable Attributes, or amounts payable under this Agreement, up to and including the Termination Date. QEC shall be responsible only for the payment of amounts accruing under this Agreement up to and including the Termination Date. In addition to its other rights of set off available to it pursuant to this Agreement and at law, QEC may hold back payment or set off its obligation to make such payment against any payments owed to it if the Commercial and Institutional Power Producer fails to comply with its obligations on termination.

13.3 Not Applicable

13.4 Not Applicable

13.5 Remedies for Termination Non-Exclusive

The termination of this Agreement by either Party and the payment of all amounts then due and owing to the other Party as expressly provided in this Agreement shall not limit, waive or extinguish in any way the recourse of either Party to any other remedies available to it in relation to such

termination at law, in equity or otherwise, nor shall such termination affect any rights that the Indemnitees may have pursuant to any indemnity given under this Agreement.

13.6 Optional Termination

- (a) Notwithstanding any other provision of this Agreement, at any time prior to the Commencement of Construction and in the absolute and unfettered discretion of QEC and for any reason whatsoever or for no reason at all, and at the convenience of QEC, QEC may elect to terminate this Agreement (an “**Optional Termination**”) by providing thirty (30) days’ written notice to the Commercial and Institutional Power Producer.
- (b) In the event of notice being given by QEC in accordance with this Section 13.6(a), QEC shall be entitled, in its sole and absolute discretion, at any time before the expiration of such notice, to issue a Stop Work Notice whereupon the Commercial and Institutional Power Producer shall forthwith permanently refrain from commencing and shall cease development, construction and operation of the Project. A Stop Work Notice may further require the Decommissioning of the Project or Facility.
- (c) If an Optional Termination occurs prior to Commencement of Construction, the Commercial and Institutional Power Producer shall provide to QEC a written statement documenting the Pre-Construction Development Costs incurred prior to the Termination Date. QEC shall thereafter pay to the Commercial and Institutional Power Producer as the sole and exclusive remedy for terminating this Agreement in accordance with this Section 13.6(c), an amount equal to the Pre-Construction Development Costs set out in such statement (less the fair market value of any Assets wholly or partially purchased or obtained with such Pre-Construction Development Costs), as confirmed by QEC, acting reasonably, and in any case the amount shall not exceed the Pre-Construction Liability Limit. For greater certainty, the Commercial and Institutional Power Producer acknowledges that any costs it may incur in excess of the Pre-Construction Liability Limit prior to the date QEC notifies the Commercial and Institutional Power Producer in writing that all Key Development Milestones for the Project have been met are the exclusive responsibility of the Commercial and Institutional Power Producer and shall not be included in any such payment.
- (d) Notwithstanding anything to the contrary in this Section 13.6, QEC may, in accordance with Article 8, request additional information or documentation relating to any Optional Termination. Where the Commercial and Institutional Power Producer fails to provide such information or documentation to the satisfaction of QEC, acting reasonably, QEC may impose such assumptions as QEC deems appropriate in the circumstances.
- (e) “**Optional Termination Invoice Date**” means the date that is the later of:
 - (i) the date on which QEC receives an invoice from the Commercial and Institutional Power Producer for the Optional Termination Amount pursuant to Section 13.6(a); and
 - (ii) the date on which QEC receives reasonably satisfactory supporting evidence as required pursuant to Section 13.6(c).

**ARTICLE 14
LENDER'S RIGHTS**

14.1 My be Not Applicable. Complete only if applicable.

**ARTICLE 15
COMMUNICATIONS AND CONFIDENTIALITY**

15.1 Notices

(a) Any notice, consent, approval or other communication under any provision of this Agreement must be in writing to be effective, and is effective when delivered by any means, including fax transmission or e-mail, to the following respective addresses:

(i) if to QEC:
Address:

Attention:

E-mail:

(ii) if to the Commercial and Institutional Power Producer:
Address:

Attention:

E-mail:

Either Party may change its notice information by giving notice to the other in the manner specified in this Section 15.1.

(b) For purposes of this Agreement:

(i) a notice delivered by hand to the address of a Party as set out above shall be deemed to be received the date it was delivered, if delivered on a Business Day, or on the next Business Day, if delivered on a day which is not a Business Day;

(ii) a notices which is sent by registered mail is deemed to be received by the Party to whom the notice is addressed on the fifth (5th) day after the date of mailing; and

(iii) a notice sent by fax transmission or e-mail which is transmitted prior to 4:00 p.m. on a Business Day, shall be deemed to have been received by that Party on that day, or on the next Business Day if delivered after 4:00 p.m. or on a day which is not a Business Day; provided that the sender of the notice is able to produce the transmission report or a printout of a transmission log generated by the sender's

fax machine (or other transmission device) or internet service provider showing successful uninterrupted fax transmission of all pages of the relevant notice or successful e-mail transmission of the relevant notice to the fax number or e-mail address, as the case may be, of the addressee.

- (c) Any notices of an Event of Default or termination of this Agreement shall only be given by email, hand or courier delivery.

15.2 Public Announcements

The Commercial and Institutional Power Producer shall not make, and shall not cause or permit any Person not at Arm's Length with the Commercial and Institutional Power Producer to make, any public announcement relating to this Agreement except as approved in advance by QEC, acting reasonably.

15.3 Disclosure of Confidential Information

The Party receiving Confidential Information shall maintain (and shall ensure that its officers, employees, consultants, advisors and contractors maintain) the confidentiality of such Confidential Information, and neither Party shall disclose Confidential Information delivered by the other except as follows:

- (a) The Receiving Party may disclose Confidential Information to its Related Parties who need to know Confidential Information for assisting the Receiving Party in complying with its obligations or exercising its rights under this Agreement and in the case where QEC is the Receiving Party, for the purpose of administration of this Agreement. On each copy made by the Receiving Party, the Receiving Party must reproduce all notices that appear on the original. The Receiving Party shall inform its Related Parties of the confidentiality of Confidential Information and shall be responsible for any breach of this Article 15 by any of its Related Parties.
- (b) If the Receiving Party or any of its Related Parties are requested or required (by oral question, interrogatories, requests for information or documents, court order, civil investigative demand, or similar process) to disclose any Confidential Information in connection with litigation or any regulatory proceeding or investigation, or pursuant to any Applicable Laws, the Receiving Party shall promptly notify the Disclosing Party. Unless the Disclosing Party obtains a protective order, the Receiving Party and its Related Parties may disclose such portion of the Confidential Information to the party seeking disclosure as is required by Applicable Laws in accordance with Section 15.4.
- (c) Where the Commercial and Institutional Power Producer is the Receiving Party, the Commercial and Institutional Power Producer may disclose Confidential Information to any Secured Lender, prospective lender, investor (if not an Affiliate of the Commercial and Institutional Power Producer), or prospective investor, and in each case its advisors, to the extent necessary, for securing investment in or financing for the Facility, provided that any such Secured Lender, prospective lender, investor (if not an Affiliate of the Commercial and Institutional Power Producer), or prospective investor has been informed of the Commercial and Institutional Power Producer's confidentiality obligations hereunder and such Secured Lender, prospective lender, investor (if not an Affiliate of the Commercial and Institutional Power Producer), or prospective investor has completed and executed a confidentiality undertaking (the "**Confidentiality Undertaking**") in the Prescribed Form, covenanting in favour of QEC to hold such Confidential Information confidential on terms substantially similar to this Article 15.

- (d) As otherwise required by Applicable Law or where the disclosure is consented to by the other.
- (e) Notwithstanding the foregoing, the Commercial and Institutional Power Producer consents to the disclosure: (i) of its name and contact particulars and any other information listed in Schedule 1; (ii) of the Site, Contract Capacity, Nameplate Capacity and location of the Connection Facilities; (iii) of any cost break-down information received pursuant to Section 4.3(c), to the Government of Nunavut or the Government of Canada; (iv) of any Confidential Information of the Commercial and Institutional Power Producer in the possession of QEC, and any reports, notices or other information received by QEC pursuant to this Agreement, for such internal purposes as QEC may reasonably determine from time to time, on a confidential basis to QEC and the Nunavut Governmental Authority and its respective officials, employees, contractors, consultants, auditors, advisors (including financial and legal advisors), agents and representatives; and (v) of aggregated data relating to the Project or this Agreement.
- (f) For greater clarity, the Commercial and Institutional Power Producer hereby irrevocably authorizes and consents to:
 - (i) Any Nunavut Governmental Authority or QEC releasing, disclosing, providing, delivering and otherwise making available to another Nunavut Governmental Authority or QEC, a copy of this Agreement and any and all such information relating to the connections, proposed connections, meters, meter data, testing data pertaining to commercial operation, billing data and other data and information of the Commercial and Institutional Power Producer or the Facility as QEC or its agents may advise is required in connection with this Agreement.
 - (ii) Any Nunavut Governmental Authority or QEC releasing, disclosing, providing, delivering and otherwise making available to QEC any and all such information relating to the Commercial and Institutional Power Producer or the Facility as QEC or its agents may advise is required in connection with this Agreement.

15.4 Notice Preceding Compelled Disclosure

If the Receiving Party or any of its Related Parties are requested or required to disclose any Confidential Information, the Receiving Party shall promptly notify the Party that disclosed the Confidential Information of such request or requirement so that the Disclosing Party may seek an appropriate protective order or waive compliance with this Agreement. If, in the absence of a protective order or the receipt of a waiver hereunder, the Receiving Party or its Related Parties are compelled to disclose the Confidential Information, the Receiving Party and its Related Parties may disclose only such of the Confidential Information to the Party compelling disclosure as is required by Applicable Law and only to such Person or Persons to which the Receiving Party is legally compelled to disclose and, in connection with such compelled disclosure, the Receiving Party and its Related Parties shall provide notice to each such recipient (in co-operation with legal counsel for the Disclosing Party) that such Confidential Information is confidential and subject to non-disclosure on terms and conditions equal to those contained in this Agreement and, if possible, shall obtain each recipient's written agreement to receive and use such Confidential Information subject to those terms and conditions.

15.5 Return of Information

Upon written request by the Disclosing Party, Confidential Information provided by the Disclosing Party in printed paper format or electronic format will be returned to the Disclosing Party and Confidential Information transmitted by the Disclosing Party in electronic format will be deleted from the emails and directories of the Receiving Party's and its Related Parties' computers; provided, however, any Confidential Information: (a) found in drafts, notes, studies and other documents prepared by or for the Receiving Party or its Related Parties; (b) found in electronic format as part of the Receiving Party's off-site or on-site data storage/archival process system; or (c) which is Mutually Confidential Information, will be held by the Receiving Party and kept subject to the terms of this Agreement or destroyed at the Receiving Party's option. Notwithstanding the foregoing, a Receiving Party shall be entitled to make at its own expense and retain one copy of any Confidential Information materials it receives for the limited purpose of discharging any obligation it may have under Applicable Law, and shall keep such retained copy subject to the terms of this Article 15.

15.6 Injunctive and Other Relief

The Receiving Party acknowledges that breach of any provisions of this Article 15 may cause irreparable harm to the Disclosing Party or to any third-party to whom the Disclosing Party owes a duty of confidence, and that the injury to the Disclosing Party or to any third party may be difficult to calculate and inadequately compensable in damages. The Receiving Party agrees that the Disclosing Party is entitled to obtain injunctive relief (without proving any damage sustained by it or by any third party) or any other remedy against any actual or potential breach of the provisions of this Article 15.

15.7 Collection, Use and Disclosure of Personal Information

- (a) The Commercial and Institutional Power Producer warrants and represents to QEC that it has obtained or will obtain, as the case may be, the prior consent of each and every individual whose Personal Information it has disclosed or will disclose to QEC, in accordance with all Applicable Laws pertaining to the protection of Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada), as that Act may be amended or replaced from time to time, whether such disclosure is set forth in this Agreement or in the Proposal, or has occurred or will occur during the performance of any of its obligations hereunder during the Term.
- (b) The Commercial and Institutional Power Producer acknowledges and agrees that: (i) all Personal Information disclosed to QEC (whether before or after the date hereof) may be used by QEC and disclosed to and used by QEC and its Related Parties for the following purposes: (A) to permit QEC to evaluate the Proposal, and to evaluate the educational and professional qualifications and experience of the Commercial and Institutional Power Producer's personnel; (B) to allow QEC to review and audit the Commercial and Institutional Power Producer's performance in respect of its obligations hereunder; and (C) as otherwise required for the performance of QEC's obligations or the exercise of QEC's rights under this Agreement; and (ii) the consents obtained under Section 15.7(a) shall reflect the foregoing purposes. QEC shall protect Personal Information by taking reasonable security precautions against such risks as unauthorized access, collection, use, disclosure or disposal.
- (c) The Commercial and Institutional Power Producer shall comply with all Applicable Laws pertaining to the protection of Personal Information, including the *Personal Information Protection and Electronic Documents Act* (Canada), as it may be amended or replaced from

time to time, with respect to all Personal Information it collects, uses or discloses pursuant to its obligations hereunder or otherwise in relation to this Agreement, including all Personal Information provided to it by QEC or any QEC Related Party. The Commercial and Institutional Power Producer shall not transfer any Personal Information provided to it by QEC or any of QEC Related Party to any other Person without the written consent of QEC. The Commercial and Institutional Power Producer shall notify its employees, Subcontractors and agents of the legal provisions, duties and obligations of the foregoing laws and of this Section 15.7 and shall instruct them to act accordingly.

15.8 Contract Administration Representatives

The Commercial and Institutional Power Producer and QEC shall, by notice substantially in the Prescribed Form, each appoint, from time to time, a representative (a “**Contract Representative**”) who shall be duly authorized to act on behalf of the Party that has made the appointment, and with whom the other Party may consult at all reasonable times, and whose communications (including all instructions, notices, requests, approvals, consents, and decisions), provided the same are in writing signed by the respective Contract Representative, shall be binding on the appointing Party as to all matters pertaining to this Agreement. The Contract Representative shall not have the power or authority to amend this Agreement solely by virtue of his or her position as Contract Representative, and shall continue to be the representative of the Party that appointed it until replaced pursuant to a subsequent notice under this Section 15.8.

15.9 ATIPP

- (a) For the purposes of this Section, “personal information” has the same definition as that which is found in ATIPP. The Commercial and Institutional Power Producer acknowledges that ATIPP applies to information obtained, generated or collected by, or related or provided to, QEC under this Agreement. The Commercial and Institutional Power Producer shall not collect, use or disclose any personal information under this Agreement except that which is reasonably required to fulfil its obligations under this Agreement, or as otherwise authorized by QEC. The Commercial and Institutional Power Producer shall protect the personal information it collects under this Agreement and shall make reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or destruction. The Commercial and Institutional Power Producer shall notify QEC, within seven (7) days, if any records are requested under the access provisions of ATIPP that are in the custody or under the control of the Commercial and Institutional Power Producer. Should the Commercial and Institutional Power Producer receive an access request under ATIPP for QEC’s records, the Commercial and Institutional Power Producer shall not respond to it, but shall immediately forward the access request to QEC for further handling. The Commercial and Institutional Power Producer shall ensure that its employees, agents, and Subcontractors comply with this Section.
- (b) Notwithstanding any other provision contained in the Agreement, Commercial and Institutional Power Producer acknowledges that QEC is bound by ATIPP and subject to the provisions of ATIPP, any information provided to QEC, including without limitation, Commercial and Institutional Power Producer’s Confidential Information, may be subject to disclosure by operation of the access to information provisions in the ATIPP. Commercial and Institutional Power Producer acknowledges and agrees that QEC cannot guarantee that the confidentiality of any information that is in its custody or under its control will be preserved if a request is made under ATIPP for access to the information. To the extent permitted or required under ATIPP, QEC will inform Commercial and Institutional Power Producer of any request made under ATIPP for Commercial and

Institutional Power Producer's Confidential Information that is labelled as "Confidential Information of Commercial and Institutional Power Producer", and provide Commercial and Institutional Power Producer with an opportunity to make representations with respect to its disclosure.

ARTICLE 16 DISPUTE RESOLUTION

16.1 Informal Dispute Resolution

If either Party considers that any dispute has arisen under or in connection with this Agreement that the Parties cannot resolve (a "**Dispute**"), then such Party may deliver a notice to the other Party describing the nature and the particulars of such Dispute. Within ten (10) Business Days following delivery of such notice to the other Party, a senior executive of the Commercial and Institutional Power Producer shall meet with a senior official of QEC, either in person or by telephone (the "**Senior Conference**"), to attempt to resolve the Dispute. Each Party shall be prepared to propose a solution to the Dispute. If, following the Senior Conference, the dispute is not resolved, then the Parties shall resolve such Dispute in accordance with the remaining provisions of this Article 16.

16.2 Litigation

At any time following ten (10) Business Days after referral of the Dispute to a Senior Conference or such longer time as agreed to by the Parties pursuant to Section 16.1, either Party may, within the limitation periods set out in the *Limitation of Actions Act*, R.S.N.W.T. 1988,c.L-8, as it may be amended or replaced from time to time, commence litigation with respect to any Dispute not settled by a Senior Conference pursuant to Section 16.1.

16.3 Arbitration: Not Applicable

16.4 Performance and Payments

All performance required hereunder by the Parties and payment therefor under this Agreement shall continue during the dispute resolution proceedings contemplated by this Article 16, provided that in the case of any such proceedings pertaining to amounts payable under this Agreement, any payments or reimbursements required as a result of such proceedings shall be payable as of a date to be determined in such proceedings, and interest shall be paid, from such date until the date of payment, by the Party required to make any such payment or reimbursement on the amount thereof at the Prime Rate.

ARTICLE 17 ASSIGNMENT AND CHANGE OF CONTROL

17.1 Assignment

- (a) Prior to the Commercial Operation Date, neither this Agreement nor any of the rights, interests or obligations under this Agreement may be assigned by the Commercial and Institutional Power Producer without the consent of QEC, which consent may be withheld in QEC's sole discretion.
- (b) Following the Commercial Operation Date, this Agreement along with all of the rights, interests or obligations under this Agreement may be assigned by the Commercial and

Institutional Power Producer with the prior written consent of QEC, which consent shall not be unreasonably withheld or delayed.

- (c) For the purposes of Section 17.1(b), it shall not be unreasonable for QEC to withhold its consent if the proposed assignment would: (i) cause a Commercial and Institutional Power Producer to breach the obligation to own or lease the Facility as set out in Section 3.1(a); (ii) have or is likely to have, as determined by QEC acting reasonably, a Material Adverse Effect on the Commercial and Institutional Power Producer's ability to perform its obligations under this Agreement; or (iii) if the parties are unable to agree to a form of assignment and assumption agreement that is acceptable to QEC.

17.2 Change of Control

- (a) Other than in accordance with Section 17.2(b), no change of Control of the Commercial and Institutional Power Producer shall be permitted prior to Commercial Operation, except with the prior written consent of QEC, which consent may be withheld in QEC's sole and absolute discretion. Following Commercial Operation, a change of Control of the Commercial and Institutional Power Producer shall be permitted provided that the Commercial and Institutional Power Producer, within ten (10) Business Days following such change of Control having effect, provides QEC with notice of such change of Control and such additional information as QEC may reasonably require regarding the names of the Persons who Control or otherwise indirectly or directly have an ownership interest in the Commercial and Institutional Power Producer following such change of Control.
- (b) Provided there is not a Commercial and Institutional Power Producer Event of Default that has not been remedied, a change of Control of the Commercial and Institutional Power Producer prior to Commercial Operation under one or more of the following circumstances is permitted without the consent of QEC, namely:
 - (i) each Person Controlling the Commercial and Institutional Power Producer following such change of Control is an Affiliate of one or more of the Persons Controlling the Commercial and Institutional Power Producer prior to such change of Control; and
 - (ii) the Economic Interest of the Person(s) that Control the Commercial and Institutional Power Producer as of the date hereof is not less than twenty-five percent (25%) following such change of Control;
- (c) The Commercial and Institutional Power Producer, shall, within ten (10) Business Days following any change of Control having effect, provide QEC with notice of such change of Control and such additional information as QEC may reasonably require regarding the names of the Persons who Control or otherwise indirectly or directly have an ownership interest in the Commercial and Institutional Power Producer, following such change of Control.
- (d) For the purposes of Sections 17.2(a) and 17.2(b), a change of Control shall include a change from no Person having Control of the Commercial and Institutional Power Producer to any Person having Control of the Commercial and Institutional Power Producer, as well as change from any Person having Control of the Commercial and Institutional Power Producer to no Person having Control of the Commercial and Institutional Power Producer.

- (e) Any change in Control that does not result in the new owner of the Facility becoming and remaining a customer of QEC shall be of no force or effect.

ARTICLE 18 MISCELLANEOUS

18.1 Business Relationship

Each Party shall be solely liable for the payment of all wages, Taxes and other costs related to the employment by such Party of Persons who perform this Agreement, including all federal, provincial, territorial and local income, social insurance, health, payroll and employment taxes and statutorily-mandated workers' compensation coverage. None of the Persons employed by either Party shall be considered employees of the other Party for any purpose.

18.2 Binding Agreement

Except as otherwise set out in this Agreement, this Agreement shall not confer upon any other Person, except the Parties and their respective successors and permitted assigns, any rights, interests, obligations or remedies under this Agreement. This Agreement and all of the provisions of this Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

18.3 Creditworthiness

In order for Commercial and Institutional Power Producer to participate and remain in the CIPP Program, pursuant to this Agreement, the Commercial and Institutional Power Producer must be creditworthy in accordance with QEC's bankers' requirements. The Commercial and Institutional Power Producer agrees that QEC or its bankers may request and obtain credit information about the Commercial and Institutional Power Producer in order to determine their creditworthiness. This credit information includes, but is not limited to, financial information to be obtained directly from the Commercial and Institutional Power Producer and credit bureau reports.

18.4 Survival

Any provisions of this Agreement which by their nature are intended to survive the expiration of the Term, including, but not limited to, all terms of this Agreement in favour of QEC and all rights and remedies of QEC, either at law or in equity, shall survive the expiry or sooner termination of this Agreement subject to any applicable limitation period prescribed by Applicable Law. Further, the expiration of the Term or a termination of this Agreement shall not affect or prejudice any rights or obligations that have accrued or arisen under this Agreement prior to the time of expiration or termination and such rights and obligations shall survive the expiration of the Term or the termination of this Agreement for a period of time prescribed under Applicable Law.

18.5 Additional Rights of Set-Off

In addition to its other rights of set-off under this Agreement or otherwise arising in law or equity, QEC may set-off any amounts owing by the Commercial and Institutional Power Producer to QEC under this Agreement against any monies owed by QEC to the Commercial and Institutional Power Producer under this Agreement or pursuant to the Authoritative Documents.

18.6 Rights and Remedies Not Limited to Contract

Unless expressly provided in this Agreement, the express rights and remedies of QEC or the Commercial and Institutional Power Producer set out in this Agreement are in addition to and shall not limit any other rights and remedies available to QEC or the Commercial and Institutional Power Producer, respectively, at law or in equity.

18.7 Time of Essence

Time is of the essence in the performance of the Parties' respective obligations under this Agreement.

18.8 Further Assurances

Each of the Parties shall, from time to time on written request of the other Party, do all such further acts and execute and deliver or cause to be done, executed or delivered all such further acts, deeds, documents, assurances and things as may be required, acting reasonably, in order to fully perform and to more effectively implement and carry out the terms of this Agreement. The Parties agree to promptly execute and deliver any documentation required by any Governmental Authority in connection with any termination of this Agreement.

18.9 Counterparts

This Agreement may be executed in two or more counterparts, and all such counterparts shall together constitute one and the same Agreement. It shall not be necessary in making proof of the contents of this Agreement to produce or account for more than one such counterpart. Any Party may deliver an executed copy of this Agreement by electronic mail but such Party shall, within ten (10) Business Days of such delivery by electronic mail, promptly deliver to the other Party an originally executed copy of this Agreement.

IN WITNESS OF WHICH, and intending to be legally bound, the Parties have executed this Agreement by the undersigned duly authorized representatives as of the date first stated above.

QULLIQ ENERGY CORPORATION

Per:

Name:

Title:

[LEGAL NAME OF COMMERCIAL AND INSTITUTIONAL POWER PRODUCER]

Per:

Name:

Title:

Contract ID:
Qulliq Energy Corporation – CIPP – Power Purchase Agreement

Per:

Name:

Title:

I/We have authority to bind the Commercial and Institutional Power Producer.

(Second signatory may not be required. Depends on CIPP signing requirements)

SCHEDULE 1

PROJECT INFORMATION

1. GENERAL

1.1 Capitalized Terms and Section References

Capitalized terms used in this Schedule shall, unless expressly defined herein, have the meaning given to such terms in Section 1.1 of the Agreement. Unless otherwise provided, references herein to Section numbers are references to Sections of this Schedule.

2. COMMERCIAL AND INSTITUTIONAL POWER PRODUCER AND PROJECT INFORMATION

2.1 Commercial and Institutional Power Producer Information & Address

Commercial and Institutional Power Producer's Address: Fax:

Phone:

Email:

Contract Representative:

Not a Non-Resident of Canada

Non-Resident of Canada

2.2 Material Information

Contract Capacity:	kW
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Nameplate Capacity	kW
Strike Price:	
Renewable Source (Target COD):	<input type="checkbox"/> Solar ([3 years] following the Contract Date) <input type="checkbox"/> Wind (3 years following the Contract Date) <input type="checkbox"/> Biomass (3 years following the Contract Date) <input type="checkbox"/> Hydroelectric (5 years following the Contract Date)
Project description:	
Name of Project:	

Proposed Location of Connection on Existing the Power Distribution System:

Point of Interconnection:

If a New Build: [Description of Generating Equipment and other equipment and facilities which are necessary to generate and deliver Electricity in respect of the Contract Capacity (including the number of generating units).]

If any Energy Storage: [Description of any energy storage technology, systems, equipment which will be used at or form part of the Facility.]

Site: [This should be the same as the site for the existing commercial or institutional customer.]

Legal Description of the Site: [Add legal description here]

3. STRIKE PRICE

3.1 The Initial Strike Price

The Strike Price on the Contract Date shall be: (the “**Initial Strike**

3.2 Price”) Changes to the Strike Price

QEC will review and re-calculate the Strike Price annually during the Term, based on the average of the prior three fiscal years provided that:

- under no circumstances will the Strike Price be reduced such that is lower than the Initial Strike Price;
- under no circumstances will the Strike Price be increased such that it higher than 120% of the Initial Strike Price;
- subject to the foregoing, changes to the Strike Price will be established based on the 3-year historical territorial average avoided cost of fuel for QEC and, if applicable, will be subject to approval by the Nunavut Utilities Rate Review Council (the “URRC”);
- The Strike Price will be escalated for the current year at 50% of the annual increase of the avoided cost of diesel, if the there is a diesel price increase, relative to the previous fiscal year; and
- The Strike Price will be de-escalated for the current year at 100% of the annual decrease of the three year average avoided cost of diesel, if there is a diesel price decrease, relative to the previous three fiscal years average, but will not below the initial strike rate of \$0.2476/kWh set in this Power Purchase Agreement.

Any change to the Strike Price will specify the specific date and time that the change will become effective.

SCHEDULE 2

DEFINITIONS

Except as otherwise set forth in the Agreement, the capitalized terms used in the Agreement, shall have the meanings set out below:

1. “**Act**” means the *Qulliq Energy Corporation Act* and all regulations made under such Act, as it may be amended from time-to-time;
2. “**Affiliate**” means, with respect to any Person, any other Person, directly or indirectly, controlling or controlled by, or under direct or indirect common control with, such Person, and for purposes of this definition, “control” (including with correlative meanings, the terms “controlling”, “controlled by” and “under common control with”), as applied to any Person, means the possession, directly or indirectly, of the power to either: (a) elect or appoint a majority of the directors of that Person; or (b) direct or cause the direction of the management or policies of that Person; whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise;
3. “**Agreement**” means this Power Purchase Agreement, including the Schedules attached hereto, as it may be amended, restated or replaced from time to time;
4. “**Ancillary Services**” means those services required to ensure that the Power Distribution System is operated in a manner that provides a satisfactory level of service with acceptable levels of reliability, power quality, voltage and frequency;
5. “**Appeal**” has the meaning given to it in Section 9.2(e);
6. “**Applicable Law**” means all federal, provincial, territorial, local and municipal statutes, laws, by-laws, ordinances, rules, orders, regulations, codes, orders in council, policies and other instruments having the effect of imposing a legal requirement, in effect from time to time and made or issued by any Governmental Authority having jurisdiction over the Parties, the obligations of the Parties hereunder, the Project or any of them; and specifically including:
 - i. any applicable orders, decisions, codes, judgments, injunctions, decrees, awards and writs of any Court, tribunal, arbitrator, Governmental Authority or other Person having jurisdiction;
 - ii. any applicable rulings and conditions of any Governmental Approval;
 - iii. any regulatory policy, practice, standard or guideline or any published administrative position; and
 - iv. the Act;
7. “**Arm’s Length**” means arm’s length as that term is interpreted in connection with its use in the ITA or that two Persons, as a matter of fact, deal with each other at a particular time at arm’s length;
8. “**Assets**” means all of the assets in respect of the Facility and/or the Project, whether real or personal and whether tangible or intangible, including all contracts and agreements, this Agreement, all Governmental Approvals, the Commercial and Institutional Power Producer’s interest in the Site,

- all interests in real property under option agreements, utility rights of way, real property leases and other instruments;
9. “**ATIPP**” means the *Access to Information and Protection of Privacy Act* and all regulations made under such act, as it may be amended from time-to-time;
 10. “**Authoritative Documents**” means (i) the Technical Interconnection Requirements, and (ii) the Terms of Service.
 11. “**Bank Act**” means the *Bank Act* (Canada);
 12. “**Business Day**” means a day other than: (a) a holiday during which banks in Nunavut are generally closed for non-automated business; (b) Saturday; or (c) Sunday;
 13. “**Capacity Products**” means any products related to the capacity of a Facility to generate and deliver Electricity at a given time;
 14. “**Claim**” means a claim or cause of action in contract, in tort, under any Applicable Law or otherwise;
 15. “**COD Longstop Date**” means the date which is eighteen (18) months after the Target COD, which date shall not be subject to adjustment except pursuant to Section 9.1(g);
 16. “**Commencement of Construction**” has the meaning given to it in Section 2.2(e);
 17. “**Commercial and Institutional Power Producer**” means the Person identified as the Commercial and Institutional Power Producer in the opening paragraph of this Agreement, and includes, as applicable, any successor thereto resulting from any merger, arrangement or other reorganization or any continuance under the laws of another jurisdiction or permitted assignee. This term is interchangeable with the term Commercial and Institutional Power Producer “CIPP”;
 18. “**Commercial and Institutional Power Producer Event of Default**” has the meaning given to it in Section 13.1;
 19. “**Commercial and Institutional Power Producer’s Interest**” means the right, title and interest of the Commercial and Institutional Power Producer in or to the Facility and this Agreement, or any benefit or advantage of any of the foregoing;
 20. “**Commercial and Institutional Power Producer Related Party**” means Commercial and Institutional Power Producer, each Affiliate of Commercial and Institutional Power Producer, each Subcontractor and each of its and their officers, directors, employees, contractors, Subcontractors, auditors, consultants, advisors (including economic and legal advisors), agents and representatives; and the advisors, agents and representatives of such Persons;
 21. “**Commercial Operation**” has the meaning given to it in Section 2.6(a);
 22. “**Commercial Operation Date**” means the date on which Commercial Operation is first attained;
 23. “**Commercially Reasonable Efforts**” when used in connection with an obligation of a Party under this Agreement, means taking, in good faith and with due diligence and in accordance with prudent industry practices, reasonable steps to enable such Party to achieve the objective and fulfill the

obligation at the earliest reasonable time, including doing all that a reasonable and prudent Commercial and Institutional Power Producer or a government, as the case may be, would do in comparable circumstances and expending funds and assuming liabilities which are reasonable in nature and amount in the context of the obligation being performed, in each case, having regard to the importance of the obligation to the successful performance of this Agreement;

24. **“Confidential Information”** means:
- i. all information that has been identified as confidential and which is furnished or disclosed by the Disclosing Party and its Related Parties to the Receiving Party and its Related Parties in connection with this Agreement, whether before or after its execution, including all new information derived at any time from any such confidential information, but excluding:
 1. publicly-available information, unless made public by the Receiving Party or its Related Parties in a manner not permitted by this Agreement;
 2. information already known to the Receiving Party prior to being furnished by the Disclosing Party;
 3. information disclosed to the Receiving Party from a source other than the Disclosing Party or its Related Parties, if such source is not subject to any agreement with the Disclosing Party prohibiting such disclosure to the Receiving Party; and
 4. information that is independently developed by the Receiving Party; and
 - ii. Mutually Confidential Information;
25. **“Confidentiality Undertaking”** has the meaning given to it in Section 15.3(c);
26. **“Connection Costs”** means all costs relating to the connection of the Facility to the Distribution including the design, engineering, procurement, construction, installation, modification, and commissioning of any Connection Facilities;
27. **“Connection Facilities”** means any Power Distribution System assets which are required to be designed, engineered, procured, constructed, installed, modified, or commissioned for purposes of connecting the existing QEC Power Distribution System to the Point of Interconnection for the Project, all as contemplated in the Generation and Connection Agreement;
28. **“Consumer Price Index”** or **“CPI”** means, for any period, the Consumer Price Index for Nunavut, all items (not seasonally adjusted, 2002=100) as published in Statistics Canada Catalogue No. 62-001-X, which is applicable to such period;
29. **“Contract Capacity”** means that portion of the Nameplate Capacity of the Facility, expressed in kW or MW, as set out in Schedule 1;
30. **“Contract Date”** means the date first set forth in the opening paragraph of this Agreement;
31. **“Contract Representative”** has the meaning given to it in Section 15.8;

32. **“Control”** means, with respect to any Person at any time: (a) holding, whether directly or indirectly, as owner or other beneficiary, other than solely as the beneficiary of an unrealized security interest, securities or ownership interests of that Person carrying votes or ownership interests sufficient to elect or appoint fifty percent (50%) or more of the individuals who are responsible for the supervision or management of that Person; or (b) the exercise of *de facto* control of that Person, whether direct or indirect, and whether through the ownership of securities or ownership interests, by contract or trust or otherwise;
33. **“Court”** means a court of law of competent jurisdiction;
34. **“Decommissioning”** means, in respect of a Project or Facility, the decommissioning of the Site, including the treatment or removal of contaminated soil, deconstruction of equipment, buildings and storage tanks in order to restore the Site to substantially the state in which it had been prior to the execution of this Agreement in respect of such Project or Facility;
35. **“Decommissioning Costs”** means all costs reasonably and properly incurred in Decommissioning in accordance with Applicable Law or if no such laws are applicable then in accordance with Good Electric Industry Practice;
36. **“Delivered”** means delivered to the Point of Interconnection and successfully transferred from the Facility to the Power Distribution System, and “Deliver” and “Delivering” have the corresponding meanings;
36. **“Disclosing Party”** means with respect to Confidential Information, the Party and/or its Related Parties providing or disclosing such Confidential Information and may be QEC or the Commercial and Institutional Power Producer, as applicable; provided, however, that where such Confidential Information is Mutually Confidential Information, both QEC and the Commercial and Institutional Power Producer shall be deemed to be the Disclosing Party;
37. **“Dispute”** has the meaning given such term in Section 16.1;
38. **“Earliest Support Payment Date”** Date: . See also s.2.6];
39. **“Economic Interest”** means, with respect to any Person other than a Natural Person, the right to receive or the opportunity to participate in any payments arising out of or return from, and an exposure to a loss or a risk of loss by, the business activities of such Person, by means, directly or indirectly, of an equity interest in a corporation, limited partnership interest in a limited partnership, partnership interest in a partnership, or, in the sole and absolute discretion of QEC other similar ownership interest;
40. **“Electricity”** means electric energy, measured in kWh;
41. **“Energy Storage”** means the storage of any energy at the Facility through the use of various forms of technology or systems including but not limited to batteries, capacitors, compressed air, flywheels or pumped hydro, which shall be as described in Schedule 1;
42. **“Environmental Incident”** means any happening or occurrence (which without limiting the generality thereof includes any release, discharge, leak or spill of a substance contrary to Applicable Law);

44. **“Estimated Annual Energy”** means the forecasted average annual production of Electricity from the Facility over a calendar year based on the Contract Capacity, as set out in Schedule 1;
45. **“Event of Default”** means a Commercial and Institutional Power Producer Event of Default;
46. **“Facility”** means the Facility to be developed, financed, built, owned, operated and maintained by the Commercial and Institutional Power Producer, as described in Schedule 1, which includes: in the case of a New Build all Generating Equipment, together with all other equipment and facilities which are necessary to Deliver all Electricity relating to the Contract Capacity to the Point of Interconnection (including any step-up transformer, and any bus work and related equipment located on the low voltage side of such transformer);
47. **“Facility Amendment”** has the meaning given to it in Section 2.1(c);
48. **“Force Majeure”** has the meaning given to it in Section 9.3;
49. **“GAAP”** means Canadian generally accepted accounting principles (including International Financial Reporting Standards, Accounting Standards for Private Enterprises, Public Sector Accounting Standards, and Accounting Standards for Pension Plans) or U.S. generally accepted accounting principles (“US GAAP”) or International Financial Reporting Standards;
50. **“Generating Equipment”** means equipment used by a Facility in the generation of Electricity but does not include transformers or other equipment used to transform or transmit such Electricity;
51. **“Generation and Connection Agreement”** means the agreement required to be entered into by QEC and the Commercial and Institutional Power Producer with respect to the interconnection of the Facility to a Power Distribution System, and which governs the terms and conditions of such interconnection, including the payment of Connection Costs;
52. **“Good Electric Industry Practice”** means the standard of practice attained by exercising that degree of knowledge, skill, diligence, prudence and foresight which would reasonably and ordinarily be expected from a skilled and experienced person engaged in the same type of undertaking in the same or similar circumstances, including determining what is reasonable in the circumstances having regard for safety, reliability and economic considerations but is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, and rather is intended to include practices, methods and acts generally accepted in North America;
53. Deleted
54. **“Governmental Approvals”** means approvals, authorizations, consents, permits, grants, licences, privileges, waivers, decisions, statements, concessions, franchises, rights, certificates of approval, environmental compliance approvals, orders, judgments, rulings, directives, ordinances, decrees, registrations, filings or similar instruments or endorsements issued or granted by law or by any Governmental Authority or other Person;
55. **“Governmental Authority”** means any federal, provincial, territorial, regional, municipal or local government, parliament or legislature, or any regulatory authority, agency, organization, tribunal, commission, board, department or political or other subdivision of any such government, parliament or legislature, or any Court or other law, regulation or rule-making entity, having jurisdiction in the relevant circumstances, including any Person acting under the authority of any Governmental Authority;

56. “**GST**” means the goods and services tax provided for in Part IX of the *Excise Tax Act* (Canada), as may be amended from time to time;
57. “**IE Certificate**” means a certificate addressed to QEC from an Independent Engineer, retained by the Commercial and Institutional Power Producer and at the Commercial and Institutional Power Producer’s sole expense, that complies with the requirements of Section 2.6(a)(iii);
58. “**Incentive Program**” means a program administered by a Governmental Authority in respect of which the payments or funding are provided based on kW, kWh, MW, or MWh;
59. “**Indemnifiable Loss**” has the meaning given to it in Section 11.3;
60. “**Indemnitees**” has the meaning given to it in Section 11.3;
61. “**Independent Engineer**” is an engineer that is: (a) a Professional Engineer duly qualified and licenced to practice engineering in the territory of Nunavut; and (b) employed by an independent engineering firm which; holds a permit to practice issued by the Northwest Territories and Nunavut Association of Professional Engineers and Geoscientists, is not an Affiliate of the Commercial and Institutional Power Producer, and does not have a vested interest in the design, engineering, procurement, construction, metering and/or testing of the Project;
62. “**Inuit**” means persons enrolled under Article 35 of the Nunavut Land Claims Agreement;
63. “**Inuk**” means a single member of the group of persons defined as Inuit;
64. “**Insolvency Legislation**” means the *Bankruptcy and Insolvency Act* (Canada), the *Winding Up and Restructuring Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada) and analogous legislation in effect in the provinces and territories of Canada and the bankruptcy, insolvency, creditor protection or similar laws of any other jurisdiction (regardless of the jurisdiction of such application or competence of such law), as they may be amended from time to time;
65. “**ITA**” means the *Income Tax Act*, R.S.C. 1985, c. 1 (Canada);
66. “**Key Development Milestone**” has the meaning given to it in Section 2.2(b);
67. “**kW**” means kilowatt;
68. “**kWh**” means kilowatt hour;
69. “**Material Adverse Effect**” means any change (or changes taken together) in, or effect on, the affected Party that materially and adversely affects the ability of such Party to perform its obligations hereunder;
70. “**Metered Energy**” means, for any Settlement Interval, the quantity of Delivered Electricity as measured by the relevant metering equipment for the Facility;
71. “**Monthly Payment**” has the meaning given to it in Section 6.2(b)(v);
72. “**Monthly Support Payment**” means, for any Settlement Month during the Term, the amount payable from QEC to the Commercial and Institutional Power Producer, or from the Commercial and Institutional Power Producer to QEC as the case may be, in respect of the performance of each

Party's respective obligations hereunder, which amount shall be determined in accordance with Section 6.1;

73. “**Municipality**” means a municipal corporation as defined under *the Hamlets Act*, RSNWT 1988, c. H-1, as amended, superseded or replaced from time to time;
74. “**Mutually Confidential Information**” means information contained in any Prescribed Form, which information shall be deemed to be Confidential Information of both QEC and the Commercial and Institutional Power Producer;
75. “**Nameplate Capacity**” means the total installed rated capacity of the Facility to generate Electricity, expressed in kW or MW as set out in Schedule 1;
76. “**Natural Person**” means a natural person, but does not include a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
77. “**New Build**” means the construction of a new Facility;
78. “**Nunavut Governmental Authority**” means: (a) the Government of Nunavut; (b) the Legislative Assembly of Nunavut; (c) any organization, tribunal, board, department, or agency of the Government of Nunavut (including the Utility Rates Review Council); or (d) any Nunavut court.
79. “**Nunavut Land Claims Agreement**” means the Agreement between the Inuit of Nunavut Settlement Area and Her Majesty the Queen in Right of Canada, signed on May 25, 1993 and any amendments thereto;
80. “**Optional Termination**” has the meaning given to it in Section 13.6(a);
81. “**Optional Termination Invoice Date**” has the meaning given to it in Section 13.6(e);
82. “**Party**” means either QEC or Commercial and Institutional Power Producer, as the context may require, and “**Parties**” means both QEC and Commercial and Institutional Power Producer;
83. “**Person**” means and includes any Natural Person, corporation, limited partnership, general partnership, joint venture, co-operative, association, company, limited liability company, trust, bank, or other organization of any kind, whether or not a legal entity, and any Governmental Authority, provided, however, that the Commercial and Institutional Power Producer shall not be a natural person or an unincorporated joint venture;
84. “**Personal Information**” means information defined as “*personal information*” in the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as it may be amended or replaced from time to time;
85. “**POI**” or “**Point of Interconnection**” means the point at which QEC’s facilities are connected to the CIPP’s facilities or conductors, and where any transfer of electric energy between the CIPP and QEC takes place. POI is also commonly referred to as the Point of Common Coupling (PCC) in multiple standards;
86. “**Power Distribution System**” means the distribution, protection, control and communication facilities in Nunavut that are or may be used in connection with, or that otherwise relate to, the

transmission, distribution and delivery of electrical energy at 25 kilovolts or less, and includes all additions and modifications thereto and repairs or replacements thereof;

87. **“Pre-Construction Development Costs”** means those reasonable costs incurred during the Term for the development of the Facility, which costs:
- i. shall exclude: (i) the costs of Generating Equipment; (ii) that portion of any costs charged by a Person who does not deal at Arm’s Length with the Commercial and Institutional Power Producer that is in excess of the costs that would have been charged had such Person been at Arm’s Length with the Commercial and Institutional Power Producer; and (iii) profits, less any grants received pursuant to any government programs that the Commercial and Institutional Power Producer is not obligated to repay; and
 - ii. may include reasonable costs incurred for or in respect of feasibility studies; obtaining Site Control; development of business and financial plans; negotiation of contracts relating to equipment procurement, construction and financing; reasonable non-refundable deposits on Generating Equipment, transformers or other equipment used to transform or transmit Electricity; Connection Costs; resource assessments; obtaining permits and approvals necessary to commence construction; and any reasonable overhead expenses allocated to the foregoing;
88. **“Pre-Construction Liability Limit”** means an amount equal to 10,000 \$/kW, which represents the maximum amount of Pre-Construction Development Costs for which QEC will pay the Commercial and Institutional Power Producer pursuant to Section 13.6(c) of the Agreement in the event of any Optional Termination by QEC;
89. **“Prescribed Form”** means in relation to any form referenced herein, the latest version of such form which is provided by QEC, as such form may be amended or replaced by QEC from time to time and without notice to the Commercial and Institutional Power Producer;
90. **“Prime Rate”** means the annual rate of interest from time to time declared by the Canadian Imperial Bank of Commerce (or its successor, in the event of a merger or amalgamation) as its “prime rate” for Canadian dollar commercial loans in Canada;
91. **“Professional Engineer”** means a “*professional engineer*” as defined in the *Engineers and Geoscientists Act*, S. Nu. 2008, c.2, as it may be amended or replaced from time to time;
92. **“Project”** means the Commercial and Institutional Power Producer’s project to own, develop, construct, install, finance, operate, and maintain the Facility, as further described in Schedule 1;
93. **“Proposal”** means the proposal submission made by the Commercial and Institutional Power Producer in response in respect of the Project which was accepted by QEC; including all clarifications in respect of such Proposal provided by the Commercial and Institutional Power Producer in writing as requested by or on behalf of, and accepted by, QEC from time to time prior to the Contract Date;
94. **“Proposal Date”** means the date on which the Proposal was received by QEC;
95. **“QEC Tariff”** means, if applicable, the tariff approved by the URRC pursuant to the Act in relation to QEC’s Power Distribution System;

96. “**QEC Related Party**” means QEC and each of its members, officers, directors, employees, contractors (other than Commercial and Institutional Power Producer), subcontractors (other than Subcontractors), consultants, auditors, advisors (including financial and legal advisors), agents and representatives, and the advisors, agents and representatives of such Persons; and the Government of Nunavut and its respective officials, employees, contractors, consultants, auditors, advisors (including financial and legal advisors), agents and representatives;
97. “**Quarterly Progress Reports**” has the meaning given to it in Section 4.3(a)(i);
98. “**Receiving Party**”, means, with respect to Confidential Information, the Party receiving Confidential Information and may be QEC or the Commercial and Institutional Power Producer, as applicable; provided, however, that where such Confidential Information is Mutually Confidential Information, both QEC and the Commercial and Institutional Power Producer shall be deemed to be the Receiving Party;
99. “**Related Party**” means QEC Related Party or Commercial and Institutional Power Producer Related Party, as the context requires, and “**Related Parties**” shall have a corresponding meaning;
100. “**Related Products**” means all Capacity Products, all Ancillary Services, and any other products or services that, whether or not existing on or before the Contract Date: (a) may be provided by the Facility from time to time; and (b) may be traded or sold in the Nunavut markets or other markets, or otherwise sold; and (c) which shall be deemed to include products and services for which no market may exist; excluding Renewable Attributes;
101. “**Renewable Attributes**” means those attributes, whether existing as at the Contract Date or coming into existence in the future, associated with the Facility having decreased environmental impacts due to or through the generation of Electricity, and includes:
- i. rights to any fungible or non-fungible attributes, whether arising from the Facility itself, from the interaction of the Facility with the Power Distribution System or because of applicable legislation or voluntary programs established by Governmental Authorities;
 - ii. any and all rights relating to the nature of the energy source as may be defined and awarded through applicable legislation or voluntary programs, including ownership rights to any emission reduction credits or entitlements resulting from interaction of the Facility with the Power Distribution System or as specified by applicable legislation or voluntary programs, and the right to quantify and register such credits with competent authorities; and
 - iii. all revenues, entitlements, benefits, and other proceeds arising from or related to the foregoing,
- but which excludes,
- iv. any tax or other benefit under the Government of Canada’s Canadian Renewable and Conservation Expenses (CRCE) or successor program which may be available in connection with a Facility;
102. “**Renewable Source**” means moving water, wind, sunlight, geothermal or sustainable biomass. or such other Renewable Source as QEC may so designate from time to time.

103. **“Replacement Provision”** has the meaning given to it in Section 1.10;
104. **“Reportable Events”** means the following:
- i. obtaining Site Control for the Project;
 - ii. obtaining environmental and project and site approvals and permission for the Project;
 - iii. completion of the Proposal, including receipt of consents from QEC, as the case may be;
 - iv. execution of an engineering, procurement and construction contract or engineering, procurement and construction management contract in respect of the Project (or other similar contract in respect of the Project);
 - v. ordering of major equipment for the Project;
 - vi. delivery of major equipment for the Project;
 - vii. status of construction of the Project;
 - viii. completion of construction of the Project;
 - ix. status of construction of the Connection Facilities;
 - x. connection of the Project to the Power Distribution System, as applicable; and
 - xi. Commercial Operation;
105. **“Secured Lender”** means a lender under a Secured Lender’s Security Agreement;
106. **“Secured Lender’s Security Agreement”** means an agreement or instrument, including a deed of trust or similar instrument securing bonds or debentures, containing a charge, mortgage, pledge, security interest, assignment, sublease, deed of trust or similar instrument with respect to all or any part of the Commercial and Institutional Power Producer’s Interest granted by the Commercial and Institutional Power Producer that is security for any indebtedness, liability or obligation of the Commercial and Institutional Power Producer, together with any amendment, change, supplement, restatement, extension, renewal or modification thereof;
107. **“Senior Conference”** has the meaning given to it in Section 16.1;
108. **“Settlement Date”** has the meaning given to it in Section 6.3;
109. **“Settlement Interval”** means the period specified by QEC as the time increment for which QEC will financially settle energy amounts, and absent written notice from QEC to the Commercial and Institutional Power Producer specifying otherwise will be the period beginning on the hour and ending sixty (60) minutes later;
110. **“Settlement Month”** has the meaning given to it in Section 6.2(a);

111. “**Site**” means the lands and/or other physical location on, over, in, under or in respect of which the Facility is, or is to be, situated as such location is identified in Schedule 1.
112. “**Site Control**” means control of the Site by way of legal and beneficial title in fee simple, legal and beneficial leasehold title, an option to acquire legal and beneficial title in fee simple, or an option to acquire legal and beneficial leasehold title;
113. “**Statement**” has the meaning given to it in Section 6.2(a);
114. “**Stop Work Notice**” means a direction from QEC to the Commercial and Institutional Power Producer to refrain from commencing, or allowing any third party to commence, and to cease, or cause any third party to cease, the development, construction and operation of the Project or any part thereof;
115. “**Strike Price**” means the price which the Commercial and Institutional Power Producer requires for each kWh of Electricity which is Delivered during the Term, expressed in dollars per kWh, which price is specified in Schedule 1 and is subject to adjustment pursuant to the process defined in Schedule 1;
116. “**Subcontractor**” means a third party that has been retained by the Commercial and Institutional Power Producer, or another Subcontractor, through a written contract to provide goods or services that are directly related to the development, construction, or operation of the Project, and for clarity includes the contractors engaged to engineer, procure, construct, and operate the Facility;
117. “**Support Amount**” has the meaning given to it in Section 6.1(b);
118. “**Support Period**” means that period of time commencing at 00:00 hours on the Commercial Operation Date, and ending at 24:00 hours on the day before the twenty-fifth (25th) anniversary of the date that is the earlier of: (a) Target COD; and (b) the Commercial Operation Date;
119. “**Target COD**” means the target date for attaining Commercial Operation as set out in Schedule 1, which date shall not be subject to adjustment except pursuant to Section 9.1(g);
120. “**Taxes**” means all income, capital, *ad valorem*, property, occupation, severance, production, governmental charges, utility, gross production, gross receipts, GST, sales, stamp, use, excise, levies, countervailing, anti-dumping and special import measures, imposts, duties including customs’ duties, fees, withholdings, assessments, premiums, deductions, taxes based on profits, net income or net worth and any other taxes or charges whatsoever, whether directly or indirectly imposed, assessed, levied or collected by any Governmental Authority, together with interest thereon and penalties with respect thereto;
121. “**Technical Interconnection Requirements**” means QEC technical, connection and operating requirements applicable to the Facility, as may be amended from time-to-time at QEC’s sole and absolute discretion;
122. “**Term**” has the meaning given to it in Section 12.1(b);
123. “**Termination Date**” means the date on which this Agreement terminates as a result of an early termination of this Agreement in accordance with this Agreement;

124. “**Terms of Service**” means QEC’s Terms and Conditions of Service, as may be amended from time to time at QEC’s sole and absolute discretion and as available at <https://www.qec.nu.ca/> or such other website as QEC may designate from time to time; and
125. “**URRC**” means the Nunavut Utility Rates Review Council established under the *Utility Rate Review Council Act* and any regulations made under such Act, as it may be amended from time-to-time.