

PURCHASE ORDER TERMS AND CONDITIONS

COMMODITIES

1. **WORK:** As used herein, the term "Work" means the furnishing of goods, materials, drawings, data, property or services specified on this Order. Work may include any other documents annexed or referred to therein or labor, tools, equipment, and materials reasonably required to complete performance of this order.
2. **INVOICING:** INVOICES must bear the same prices and terms of this order. Any changes must be approved by the purchaser in writing prior to shipment. GST, where applicable, must be shown separately.
3. **ENTIRE AGREEMENT:** This Order, including these terms and conditions, any technical specifications or drawings, and any additional terms and conditions incorporated herein, shall constitute the sole and entire agreement between the Purchaser and the Seller. Any additional terms and conditions of sale offered by Seller whether expressed or implied, shall not be binding on the Purchaser unless specifically accepted in writing.
4. **ORDER ACCEPTANCE:** Seller's written acknowledgment of this Order, shipment of any part of this Order, or commencement of Work, if known to the Purchaser, shall constitute acceptance of the order. Acceptance constitutes an agreement to comply with all specifications including, but not limited to delivery, prices, terms and conditions. Seller cannot deviate from the terms of this order unless Purchaser agrees via a change order amendment. Amendments shall be binding only after mutual acceptance in writing.
5. **PRICING:** Unless otherwise specified herein, this Order is for a fixed price and subject to variation only as provided in these conditions. The price shall include delivery, packaging, and provision of documents. Charges for freight or express, if payable by Purchaser must be accompanied by original receipted expense bills. All present and future taxes not expressly imposed by law exclusively on Buyer will be assumed by Seller and deemed to be included in the purchase price. This purchase order is void if not priced.
6. **QUALITY:** Seller warrants that the Work shall be produced, sold, delivered and furnished in strict compliance with all laws and regulations, in a good and workmanlike manner, and in accordance with applicable codes, sound engineering practices and industry standards. Work shall conform in all respects to the terms of this Order. All laws and regulations required to be incorporated in agreements of this character are hereby incorporated by reference.

Seller further warrants that all goods and materials sold hereunder shall be:

- i) free from defects in design
- ii) new material
- iii) sound workmanship
- iv) free from liens
- v) fit for the purpose intended
- vi) and shall be the best quality if no quality is specified.

Seller shall replace, without charge to Buyer, any good or material furnished hereunder that fail or are discovered to be defective in design, material, workmanship, or title, within a period of 24 months from date of purchase. Any transportation costs or field labor required in the repair or replacement will be paid by Seller. Whenever pursuant to this clause, the Seller supplies goods and materials in replacement or repair, the provisions of this clause shall apply to that part of the goods or materials for a period of 12 months from the date of replacement or repair.

7. **SUBLETTING:** No part of this order may be assigned or sublet (including monies due) without the prior written consent of the Purchaser.
8. **CANCELLATIONS:** Dacro Industries Inc reserves the right to cancel all or part of this order for any reason whatsoever. Purchaser may make any changes via written Change Order including additions or deletions from the scope of the work and on the specifications or drawings. Such change orders shall not invalidate this Order. However, if any such change order materially affects the scope of work or the time required for performance, an equitable adjustment shall be made. Purchaser may terminate this Order at any time by written notice to Seller. Cancellations will be subject to an equitable adjustment with regards to Work already furnished or in progress at the time of cancellation. No such adjustment shall be made in favor of Seller with respect to any goods or materials which are Seller's standard stock. Adjustments shall take into account the unit price for any Work already furnished, the material and labor cost up to the date of cancellation, and a mutually agreed profit based on pro-rated completion of the entire Order. Seller shall not be entitled to prospective profits or damages due to cancellation. No such termination shall relieve Seller of its warranties as to any Work completed up to the date of cancellation. Any claim for adjustment hereunder must be asserted within five (5) days from the informed date of termination.
9. **RETENTION:** The Purchaser may retain up to ten percent (10%) of any invoice until such time that Purchaser has had adequate assurance that the Goods are fully provided as set forth hereunder, including spare parts and documentation, and are in full compliance with this Purchase Order. Purchaser may also retain aforementioned amount to defray the cost of field rework on said Goods. Such retained amounts shall be paid to Seller upon complete and satisfactory performance of its obligations hereunder and after Seller provides Purchaser with a written acknowledgment that the Goods are not subject to any liens, encumbrances, or other claims by Seller or other third party.
10. **HAZARDOUS MATERIALS:** Upon receipt of the purchase order, Seller shall notify Purchaser in writing if Goods furnished are subject to:
- i) laws or regulations relating to hazardous or toxic substances
 - ii) regulations governing hazardous waste disposal
 - iii) any other environmental or health and safety regulations
- Seller shall furnish all appropriate shipping certification and instructions for shipping, safety, handling, exposure, and disposal for use by non-technical personnel. This must include information on all safe handling and emergency action that the user may require concerning the material. The following certification must be made on the bill of lading: "This is to certify that the above named articles are properly classified, described, packaged, marked and labeled and are in proper condition for transportation according to applicable transportation regulations."
11. **ENVIRONMENTAL LIABILITY:** Seller hereby acknowledges its title to and assumes responsibility for any hazardous materials and wastes generated in connection with or related to:
- i) Seller's supply of the Goods
 - ii) Seller's presence on Purchaser's or Purchaser's client's property; and/or
 - iii) Seller's movement of such hazardous materials or wastes onto Purchaser's or Purchaser's client's property
- Seller hereby agrees to comply with all federal, state, and local laws, rules, and regulations concerning the handling, storage, use, and disposal of hazardous materials or wastes. Seller will promptly pay any and all fines, penalties, and related costs (including reasonable attorney's fees and costs of dispute resolution necessary to compel Seller's compliance herewith) arising out of or related to Seller's failure to comply with all such laws, rules, and regulations.

Seller shall:

- i) take every reasonable precaution to prevent any spill or contamination of Purchaser's or Purchaser's client's property
- ii) notify Purchaser immediately if such spill or contamination does occur
- iii) bare the sole cost to restore Purchaser's or Purchaser's client's property to the condition which existed prior to any spill or contamination to the satisfaction of Purchaser.

Seller hereby agrees to release, defend, and indemnify Purchaser against any and all claims, including but not limited to claims of personal injury, death, and loss of property. Seller is responsible for all associated costs of such claims, including reasonable attorney's fees and costs of dispute resolution, which may arise in connection with Seller's generation or handling of such hazardous materials or wastes, regardless of the fault or negligence or strict liability of Purchaser.

12. **NONDISCLOSURE:** Seller agrees not to divulge any information to third parties without the prior written consent of Purchaser. This includes all information obtained from or through Purchaser in connection with the performance of this Purchase Order unless the information is:

- i) known to Seller prior to obtaining the same from Purchaser
- ii) in public domain at the time of disclosure by Seller
- iii) obtained by Seller from a third party who did not receive the same notification directly or indirectly from Purchaser, its affiliates or related entities or its customers, and who has no obligation of secrecy with respect thereto.

The "Information" protected by this clause shall consist of all drawings, data, designs, inventions, and other technical material and the contents thereof supplied by purchaser to seller, regardless of whether or not it is designated as confidential or proprietary. Seller further agrees that without the written consent of the purchaser they will not disclose any information to a third party that has been developed or obtained by seller in the performance of this Purchase Order except to the extent that the information falls in the category of (i), (ii), or (iii) above. If so requested by Purchaser, Seller further agrees to require its employees and its sub-vendors and their employees to execute an appropriate nondisclosure agreement prior to performing any work under this Purchase Order. Seller shall not publicize the existence or scope of this Purchase Order without Purchaser's written consent.

13. **REJECTED MATERIAL:** Goods not in accordance with order specifications will be rejected and held at vendor's risk for a period of 14 days. If arrangements are not made by the end of this holding period, Dacro Industries Inc may dispose of the goods at their discretion. Seller must pay freight on all rejected material.

14. **PACKING SLIPS:** Packing slips must accompany all shipments.

15. Invalidity of any provision of the Order shall not affect the validity of any other provision.