

## PURCHASE ORDER TERMS AND CONDITIONS

### SUBCONTRACT SERVICES

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 12 months from the date of initial use or 18 months from the date of delivery. 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 Purcha
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 regulationsSeller 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 LIABLITIY:** 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 propertySeller herby agrees to comply with all federal, provincial, and municipal 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. **THIRD PARTY REQUIREMENTS:** Should Seller sublet any of the Work to a third party, Seller shall maintain in full force and effect all of the coverages required by this Article 5, with Seller's certificate of insurance expressly referencing such subcontractor to Seller. Such third party is required to furnish the same insurance and indemnity in favor of Purchaser as required of Seller hereunder and provide a certificate to Purchaser.

14. **PERSONNEL SAFETY AND HEALTH REGULATIONS:** While on the premises of Purchaser, Purchaser's client or their affiliates, Seller and its employees shall abide by and comply with all applicable safety and health laws, regulations, and ordinances. Seller shall

- i) ensure that all its employees and agents have a safe place of work
- ii) keep said premises and the vicinity thereof clean of debris and rubbish caused by its work
- iii) leave the premises clean and ready for use

Upon request of Purchaser (at no cost or expense to Purchaser) Seller shall promptly remove any person under their control who violates any of aforesaid safety, health, or plan laws, regulations, ordinances or rules or who may cause or threaten to cause a breach of the peace, or any other disturbance of the work.

15. **INDEMNIFICATION AGAINST CLAIMS BY EMPLOYEES OF SELLER:** Seller agrees to release, defend, indemnify and hold harmless Purchaser, Purchaser's client, the related entities and affiliates of both, directors, officers, employees, agents, and assigns of Purchaser and its related entities and affiliates

("Indemnitees") from all claims of loss, damage, liability, cost and expense (including without limitation, reasonable attorney's fees). This includes such claims that may arise in connection with the performance of this Purchase order or the Goods furnished hereunder including:

- i) any injury, including death, to any employee of Seller or other person whom Seller caused to be on the property of Purchaser or Purchaser's client
- ii) damage to any property belonging to Seller or any other party

THE FOREGOING INDEMNITY OBLIGATION OF SELLER SHALL APPLY REGARDLESS OF WHETHER OR NOT SUCH LOSS, DAMAGE, LIABILITY, COST OR EXPENSE IS CAUSED IN WHOLE OR PART BY THE FAULT, NEGLIGENCE, OR STRICT LIABILITY OF AN INDEMNITEE.

16. **WORK TICKETS:** Work tickets must be provided on a daily basis for all services. Work tickets must be verified and signed by authorized Dacro personnel.
17. Invalidity of any provision of the Order shall not affect the validity of any other provision.

## INSURANCE

1. **INSURANCE: CERTIFICATE OF INSURANCE:** Before any Work is performed under the Purchase Order, written proof of compliance with the requirements of this Article shall be provided to the satisfaction of the Purchaser on a certificate which is to be furnished by Purchaser with insurers and executed by an authorized representative of Seller's insurer. Such certificate shall stipulate that the Purchaser must receive at least THIRTY (30) DAYS written notice of cancellation or modification of any insurance referred to therein. If Seller fails to maintain the insurance as set forth herein, Purchaser shall have the right, but not the obligation, to purchase such insurance at Seller's expense. Purchaser may request in writing, at any time, Seller to provide certified copies of all policies of insurance required herein.
2. **WORKER'S COMPENSATION:** Seller shall maintain Worker's Compensation Insurance as required by law.
3. **COMMERCIAL GENERAL LIABILITY:** Seller shall maintain Commercial General Liability insurance with a combined single limit of \$2,000,000 per occurrence for bodily injury and property damage. The insurance must protect Purchaser, its client, the affiliates of each, their employees, agents, directors, officers, and representatives against bodily injury (including death) and property damage arising out of Seller's operations. The Commercial General Liability insurance shall include products liability, blanket contractual, personal liability, completed operations, broad form property damage, and shall expressly cover the contractual liability assumed by Seller under Articles 5 and 13 of this purchase order. The policy shall be endorsed to name Purchaser, its client and their affiliates as additional insured parties.
4. **AUTOMOBILE LIABILITY:** Seller shall maintain Automobile Liability Insurance with a combined single limit of \$2,000,000 per occurrence for bodily injury and property damage. Insurance must cover use and operation of owned, non-owned and hired vehicles. The policy shall be endorsed to name Purchaser, its client and their affiliates as additional insured parties.
5. **LIABILITY:** The fact that Seller has obtained the insurance required in this Purchase Order shall in no manner lessen nor affect Seller's obligations or liabilities set forth in the Purchase Order. All insurance

provided by Seller (including any self-insurance or deductible amounts) shall be primary to any insurance maintained by Purchaser or Purchaser's client.

**WAIVER OF SUBROGATION AND ADDITIONAL INSURANCE:** Seller shall obtain from its insurers for all insurance coverages applicable to the Work and/or required hereunder, a waiver of subrogation in favor of Purchaser, its client, and their agents, employees, officers, and directors. Purchaser, its client and their affiliates shall be named as an additional insured on Seller's automobile, commercial general and excess liability policies and such policies shall state that this contract is an insured contract and contain a severability of interest clause.