



WELLONS CANADA CORP TERMS AND CONDITIONS OF PURCHASE

1. Acceptance. The commencement of work on, or shipment of, the goods, or the commencement of services subject to this purchase order by the party being issued the purchase order (“Seller”) shall be deemed an acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms in the purchase order. Any proposal for additional or different terms or any attempt by Seller to vary any of the terms of this purchase order is hereby rejected. Such proposal shall not operate as a rejection of this purchase order unless it varies the description, quantity, price or delivery schedule of the goods or services. If this purchase order is deemed an acceptance of a prior offer by Seller, it shall be limited to the express terms in this purchase order.

2. Warranty. Seller expressly warrants to Wellons Canada Corp. (“Purchaser”) that all goods or services furnished under this purchase order shall: (a) conform to all specifications and applicable standards (including, without limitation, government and trade standards); (b) be new (unless otherwise expressly stated in writing); (c) be free from latent or patent defects in material or workmanship; (d) conform to any representations, warranties, or statements made for such goods or services; (e) be adequately and correctly contained, packaged, marked and labeled; (f) be merchantable, safe and appropriate for the purpose for which goods or services of that kind are normally used; (g) be fit for a particular purpose if Seller knows or has reason to know the particular purpose for which the goods and services will be used; (h) conform in all respects to any samples used by Seller; and (i) not violate any patents, copyrights or other intellectual properties. Seller further warrants that it has good and marketable title to the goods and Purchaser will own the goods free of any claims of any third Party. Inspections, tests, acceptance or use will not affect Seller's obligations under these warranties. All warranties shall survive inspections, tests, acceptance and use. Seller's warranties shall run to Purchaser, its successors, assigns, customers and users of products or services sold by Purchaser. Seller agrees to replace or correct defects in any goods or services not conforming to warranty promptly, without expense to Purchaser, when notified of such nonconformity by Purchaser. If Seller fails to correct defects in or replace nonconforming goods or services promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller all costs.

3. Price Warranty. Seller warrants that the prices for the items or services sold to Purchaser are not greater than those currently charged to any other customer for the same or similar items or services in similar quantities. If Seller reduces its price to any other customer for any article during the term of this purchase order, Seller shall correspondingly reduce its price to Purchaser or offer a rebate to Purchaser for the discounted sum. Seller warrants that prices shown on this purchase order are all inclusive. No additional charges of any kind shall be added without Purchaser's written consent.

4. Shipment. If Seller must ship by a more expensive manner than quoted in order to comply with Purchaser's original delivery date, any related increased transportation costs shall be paid by Seller. If the rerouting or expedited handling is caused by a change in the delivery date made by the Purchaser, any pre-approved related increased transportation costs shall be paid by Purchaser.

5. Insurance. Seller, at its own expense shall carry and maintain the following minimum insurance policies:

(a) Commercial Automobile Liability coverage (if Seller's work under this purchase order involves operations by Seller on the premises of Purchaser or one of Purchaser's customers) of \$2,000,000 per occurrence single limit of liability, covering all owned, leased, and non-owned vehicles;

(b) Statutory Workers' Compensation coverage in accordance with applicable law; and

(c) Commercial General Liability coverage of \$2,000,000 per occurrence single limit of liability, \$2,000,000 general aggregate that shall include but not be limited to contractual liability, premises liability, advertising liability, and product liability. Products and completed operations coverage shall be maintained for a minimum of five (5) years after delivery or completion of services.

6. Conflict of Documents. If Purchaser and Seller have entered into a contract under which the goods or services are to be provided, any conflict of terms between that contract and this purchase order shall be controlled by the purchase order.

7. Entire Agreement. This purchase order and any documents referred to in it constitute the entire agreement between the parties. Any modification to this purchase order must be in writing and signed by both parties.

8. Termination. Purchaser reserves the right to terminate this purchase order, or any portion of the goods or services purchased, at its sole convenience. Following such termination Seller shall immediately stop all work and shall immediately cause any of its suppliers or subcontractors to cease work. Seller shall be paid for any actual direct costs resulting from work done prior to termination. Purchaser shall not pay for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. Purchaser may also terminate this purchase order or any portion of the goods or services purchased if Seller defaults under, or fails to comply with, any of the purchase order terms and conditions. Without limitation, Seller's insolvency, filing of a voluntary or involuntary bankruptcy petition, the appointment of a receiver or trustee, late deliveries, deliveries of products or services which are defective or nonconforming, or failure to provide reasonable assurances of future performance shall allow Purchaser to terminate this purchase order for cause. If termination occurs as a result of Seller's default, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for any and all damages sustained from the default which gave rise to the termination. In the event Purchaser terminates for no cause, under no circumstances shall the total cancellation charge exceed the total price of this purchase order. Purchaser shall be entitled to such work and materials as have been completed at the time of such cancellation.

9. Changes. Purchaser shall have the right at any time to change drawings, designs, specifications, materials, packaging, time and place of delivery and method of transportation for the goods or services provided. If any changes cause an increase or decrease in the cost or the time required for performance, an equitable adjustment shall be made and a written revision to this purchase order completed.

10. Proprietary Information/Confidentiality/Advertising. Seller agrees to maintain in confidence all proprietary information revealed to Seller by Purchaser in any form, including, but not limited to, any and all proprietary information directly or indirectly disclosed to Seller by Purchaser, its agents, employees, consultants or contractors, whenever received by Seller. It is understood that “proprietary information” shall not include the following: (a) Information which is in the public domain through no fault of Seller; (b) Information which is received from third parties having no obligation of confidentiality to Purchaser; and (c) Information which was already in the possession of Seller prior to disclosure thereof by Purchaser. Proprietary information disclosed under this purchase order shall not be deemed to be within the foregoing exceptions merely because portions of such information or more general information are in the public domain or in the possession of Seller. The sole purpose of any disclosure is to enable



Seller to understand and evaluate Purchaser and its products as well as its business systems, processes, procedures and plans; and to provide goods and/or services to Purchaser which best fit Purchaser's needs. This purchase order shall not be construed to grant to Seller any license or rights except those specifically granted hereunder. Seller shall not make any copies of the proprietary information without prior written consent of Purchaser. Furthermore, Seller agrees not to make any commercial use of any proprietary information received hereunder. Upon request, Seller shall promptly return all documents and things disclosed under this purchase order, and copies thereof, to Purchaser. Further, any developments or improvements to Purchaser's business systems, processes, procedures, plans, products, formulations or technologies contributed to or invented by Seller shall be deemed to be work for hire and, thus, property of Purchaser, and Seller shall provide or cause to be provided appropriate assignments as necessary to ensure such ownership by Purchaser. Unless otherwise agreed in writing, no commercial, financial or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods from Seller.

11. Patents. Seller warrants that the goods furnished under this purchase order do not infringe any patent rights. Seller shall indemnify and hold harmless Purchaser, its affiliates and their customers from losses, expenses (including attorney's fees), claims or liability of any nature arising out of the infringement or alleged infringement of any patent on account of the manufacture, sale or use of any goods furnished hereunder except where compliance by Seller with specifications prescribed by and originating with Purchaser constitutes the sole basis of infringement or alleged infringement. Seller, at its expense, agrees to defend any suit brought or claim asserted against Purchaser, its affiliates and their customers on account of any such infringement or alleged infringement upon being notified in writing thereof by Purchaser. If the use of such goods is enjoined, Seller shall at its expense make every reasonable effort to obtain for Purchaser, its affiliates and their customers, a license to continue to use such goods. If after a reasonable time Seller is unable or fails to obtain such license, Seller shall, at its expense, either replace such goods with equivalent non-infringing goods or modify such goods in a manner acceptable to Purchaser so that they become equivalent, non-infringing goods. If after exercise of its best efforts, Seller is unable to license, replace, or modify as set forth above, Seller shall refund to Purchaser all money and other consideration paid pursuant to this purchase order.

12. Force Majeure. Neither party shall be required to perform during any period where performance is prevented by an event of Force Majeure which is defined to be any event beyond the reasonable control of the parties including, but not limited to, acts of God, severe weather (hurricanes, floods, tornadoes, etc.) delays in transportation, shortages of materials, plant shutdown due to lack of supplies, equipment failure, regulatory action or other reason causing the curtailment of all business, pandemics, epidemics, quarantines, strikes, lock-outs, work stoppages or other labor disturbance, governmental action, acts of war or civil unrest, embargoes or any other event beyond the parties control whether similar or dissimilar to the above. Performance shall be excused for the period during which the event of Force Majeure delays performance. The party experiencing the delay shall give written notice to the other party of the event within five (5) working days of its onset. If performance is delayed for one (1) or more periods in excess of ninety (90) days, either party may terminate this purchase order. In the event of a force majeure, each party shall be responsible for their own costs and expenses related to the force majeure event.

13. Indemnification. Seller shall defend, indemnify and hold harmless Purchaser against all third party claims for damages, claims, liabilities, costs and expenses (including attorneys' fees in the trial court, on appeal, and in any bankruptcy proceeding) arising out of or resulting in any way from any defect in the goods or services purchased, or from any act or omission of Seller, its agents, employees or subcontractors.

This indemnification shall be in addition to the warranty obligations of Seller.

14. Trade Embargo Indemnification. Seller shall indemnify and save harmless Purchaser, its employees, agents, subsidiaries and assigns from and against any and all losses, liabilities, costs, expenses, libels, suits, actions, claims, judgments, fines, penalties and other obligations and proceedings whatsoever including attorney's fees Purchaser incurs, which may directly or indirectly result from actual or alleged, direct or indirect transactions, or the facilitation of such transactions, with nations, specially designated nationals, or foreign business entities listed with the Government of Canada.

15. Inspection/Testing. Payment for goods delivered or services provided shall not constitute acceptance. Purchaser shall have the right to inspect such goods or services and to reject any or all of the goods or services that are, in Purchaser's judgment, defective or nonconforming. Goods rejected and goods supplied in excess of specified quantities may be returned at Seller's expense and, in addition to Purchaser's other rights, Purchaser may charge Seller all expenses of unpacking, examining, repackaging and reshipping such goods. If Purchaser rejects any services provided, Purchaser, at its sole option, may require Seller to correctly perform the services or hire another person to perform the services at Seller's expense. If Purchaser receives defective or nonconforming goods that are not apparent upon examination, Purchaser may, in addition to requiring replacement of the goods, require payment of damages. Nothing in this purchase order shall relieve the Seller in any way from its obligations to provide conforming goods and services.

16. Assignment and Subcontracting. No part of this purchase order may be assigned or subcontracted without prior written approval of Purchaser and any such purported assignment shall be void.

17. Setoff. All claims for money due or to become due from Purchaser shall be subject to deduction or setoff by the Purchaser for any claim arising out of this, or any other, transaction with Seller.

18. Waiver and Remedies. Purchaser's failure to insist on performance of any terms or conditions or to exercise any right or privilege, or Purchaser's waiver of any breach, shall not be a subsequent waiver of any other terms, conditions or privileges. All of Purchaser's rights and remedies under this purchase order shall be construed as cumulative and shall include all rights and remedies available under law and equity.

19. Delivery. Time is of the essence for this purchase order. If goods are not delivered or services not rendered by the time promised, Purchaser may terminate this purchase order by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services and charge Seller with any loss incurred in addition to its other rights and remedies.

20. Limitation on Purchaser's Liability; Statute of Limitations. Purchaser shall not be liable for loss of anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage shall in no case exceed the price allocable to the goods or services giving rise to the claim. Purchaser shall not be liable for penalties of any description. Any action resulting from any breach by Purchaser must be commenced within one (1) year after the cause of action arises.

21. Governing Law. This purchase order and all rights and obligations shall be governed by and construed under the laws of the British Columbia without regard to its choice of law principles. The parties shall be subject to the personal jurisdiction of the courts located in British Columbia for any dispute or litigation arising under or in connection with this purchase order. Venue for any litigation shall be in British Columbia, and each party waives all claims that the forum is inconvenient or that a more convenient forum can be found. The parties



agree that the Convention for the International Sale of Goods shall not apply to this purchase order.

22. Compliance with Laws. Seller shall comply with all laws, regulations, and policies applicable to Seller by any jurisdiction and shall obtain all licenses, permits, and authorizations necessary for Seller to complete the transactions for this purchase order.

23. Contacts with Regulatory Agencies. Seller shall notify Purchaser immediately of issues that need to be reported to regulatory agencies. Purchaser shall not take retaliatory action against Seller for reports made to regulatory agencies in good faith.

24. Certification Regarding Debarment. Any acceptance of this purchase order is based on the Seller's representation that it is not presently debarred, suspended, proposed for debarment or declared ineligible for the award of contracts by any federal agency.

25. Severability. If any provision of this purchase order is held by any court of competent jurisdiction to be unreasonable, arbitrary, against public policy or otherwise invalid or unenforceable, then such provision will be considered severable. The court may reduce the scope thereof or otherwise amend or reform the provision in order to make it reasonable, valid and enforceable. Such reformation will apply only with respect to the operation of this purchase order in the particular jurisdiction in which such adjudication is made.

26. Authorized Representative. Seller shall cooperate fully with Purchaser in providing the goods and/or services. Purchaser may name an authorized representative at or before the start of the work who shall be responsible for providing information, instructions and approvals on Purchaser's behalf. Such representative will be available to Seller at all reasonable times.

27. Independent Contractor. The parties intend that an independent contractor relationship will be created by this purchase order. It is understood and agreed between Purchaser and Seller that Purchaser is not associated or otherwise connected with the actual performance of this purchase order on the part of Seller, nor as to the employment of labor or the incurring of other expenses; that Seller is an independent contractor in the performance of each and every part of this purchase order and solely and personally liable for all labor and expenses in connection therewith. The Purchaser has the right only to require definite results by Seller in conformity with the provisions of this purchase order. Seller, and Seller's employees and agents, are not to be considered agents or employees of Purchaser for any purpose.

28. Invoices. Invoices shall be issued by Seller on a monthly basis and shall be payable net thirty (30) days or as otherwise stated on the purchase order. Invoices shall include supporting documentation satisfactory in form and content to Purchaser.

29. License to Do Business. Seller warrants that it has all appropriate valid licenses to do business or perform services necessary to deliver the goods or services ordered. Seller shall provide a copy of all such required documents to Purchaser prior to commencement of services or work. Failure to do so will be considered a default under this Purchase order and Purchaser may, at its option, immediately terminate this purchase order or suspend Seller's operations until Seller's failure to have the licenses is corrected. Seller shall reimburse Purchaser for any resulting cost to Purchaser.

30. Taxes. All taxes, duties, tolls, fees, import charges and governmental exactions shall be separately stated on Seller's quotations and invoices and, unless otherwise stated, shall be for the account of Seller.

31. Government Imposed Duties or Tariffs. Seller agrees to bear the full risk of any tariffs, taxes, or duties that are imposed on goods or services at the time of shipment. If tariffs are imposed or increased after

the issuance of a Purchase Order, Seller will absorb the cost. Seller shall pay any such tariffs, duties, or taxes when due.

32. Liens. Seller agrees to defend and hold harmless Purchaser and Purchaser's customers from and against any and all laborer's, materialmen and/or mechanic's liens, claims and suits arising out of or in connection with this purchase order, and shall indemnify same against all losses, costs and damages, including legal fees, incurred in connection therewith. Seller shall keep the premises of Purchaser and Purchaser's customers free from any and all such liens and encumbrances. Whenever Purchaser requests, Seller shall furnish Purchaser with proof satisfactory to Purchaser that all such liens, claims and suits have been discharged, satisfied and released, or, at the option of Purchaser, with a satisfactory surety bond indemnifying Purchaser and its customer against any claims based thereon.

33. Personnel. Seller shall furnish the personnel required to perform the services covered by the purchase order as well as any other attachments thereto describing the services to be provided. Purchaser shall have the right to approve the personnel and to require a change in personnel if Purchaser should so desire. Prior to Seller making any changes in personnel not requested by Purchaser, Seller shall obtain Purchaser's written authorization. Purchaser shall not unreasonably withhold consent to such changes. Purchaser may, in its sole discretion, hire another contractor or contractor(s) to perform any necessary portions of the Work to maintain the Work Schedule or specifications and charge the costs thereof to Contractor.

34. Press Releases. Neither party shall issue or publish any press release or similar public announcement with respect to this purchase order or the transactions contemplated without all parties' prior written consent; provided, however, that any party may issue or publish any such press release or public announcement if such action is required by law.

35. CUSMA / USMCA Compliance. Seller shall provide to Purchaser on request a qualifying certificate of origin according to Annex 5A of Chapter 5 of CUSMA / USMCA. These elements include the identification and address of the certifier, exporter name, producer name, importer name, description of good(s), latest HS tariff code to 10 digits, and rule of origin (e.g., criterion "B").

36. Country of Origin Labeling. Seller shall ensure that every item of foreign origin entering the United States and/or Canada under this Agreement is legibly marked in English with its country of origin. Seller shall also confirm the country of origin information for each product on the customs invoice.