



UNIT ELECTRICAL ENGINEERING LTD.

Standard Terms & Conditions Of Purchase

Each Purchase Order placed by Unit Electrical Engineering Ltd. (the “Buyer”) for goods and/or services is subject to these standard purchase order terms and conditions, and is conditional upon Vendor’s agreement to such terms. Vendor shall be deemed to have agreed to be bound by such terms by accepting the Purchase Order in writing, delivering the goods, and/or performing the services.

In these standard purchase order terms and conditions, “**Goods**” means machinery, plant, equipment, materials and other items of any kind, whether or not fixed or incorporated, described in the Purchase Order; “**Purchase Order**” means the written purchase order issued by the Buyer and includes any documents expressly referenced in or appended to the purchase order; and “**Services**” means services of any kind described in the Purchase Order.

1. **Agreement.** The agreement between the Buyer and Seller (“**Agreement**”) consists only of: (a) these standard purchase order terms and conditions; (b) the applicable Purchase Order; and (c) any Specifications or other documents expressly referenced in or appended to the Purchase Order. Any reference in the Purchase Order to any Vendor Proposal is solely for the purpose of incorporating the descriptions and specifications of the Goods and/or Services contained in the Proposal, and only to the extent that the terms of the Vendor Proposal do not conflict with the descriptions and specifications (“**Specifications**”) set out in the Purchase Order. Buyer’s delivery of a Purchase Order, or Buyer’s acceptance of, or payment for, Goods and/or Services, will not constitute Buyer’s acceptance of any additional or different terms in any Vendor Proposal, unless otherwise accepted in writing by Buyer. If there is any conflict or inconsistency among the documents constituting the Agreement, then unless otherwise expressly provided, the documents will rank in the order of precedence in accordance with the order in which they are listed in this Section 2.

2. **Delivery of Goods and Services.**

a. Vendor agrees to supply and deliver the Goods to Buyer and to perform the Services, as applicable, on the terms set out in this Agreement.

b. Vendor shall, at its own expense, pack, load, and deliver Goods to the “Ship To” address stated in the Purchase Order (the “**Delivery Point**”) and in accordance with the invoicing, delivery terms, shipping, packing, and other instructions printed on the face of the Purchase Order or otherwise provided to Vendor by Buyer in writing. No charges will be paid by the Buyer for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging or similar charges unless provided for in the applicable Purchase Order or otherwise agreed to in writing by Buyer.

c. Time is of the essence with respect to delivery of the Goods and performance of Services.

Goods shall be delivered and Services performed by the applicable date set out in the Purchase Order (“**Delivery Date**”). Vendor will immediately notify Buyer if Vendor is likely to be unable to meet a Delivery Date. At any time prior to the Delivery Date, Buyer may, upon notice to Vendor, cancel or change a Purchase Order, or any portion thereof, for any reason, including, without limitation, for the convenience of Buyer or due to failure of Vendor to comply with this Agreement, unless otherwise stated in this Agreement.

d. Title and risk of loss or damage shall pass to Buyer upon receipt of Goods at the Delivery Point, unless otherwise agreed to by the Buyer in writing. Vendor is responsible to obtain insurance for Goods while Goods are in transit from Vendor to the Delivery Point.

e. Vendor shall follow all instructions of Buyer and cooperate with Buyer’s customs broker as directed by Buyer (including by providing requested shipping documentation) with respect to all Goods that originate from sources or Vendors based outside Canada. Vendor shall comply with all the requirements of the Canada Border Services Agency (or any successor organization) with respect to the importation of Goods from outside Canada.

3. Inspection; Acceptance and Rejection.

a. All shipments of Goods and performance of Services shall be subject to Buyer’s right of inspection. Buyer shall have **thirty (30) days** (the “**Inspection Period**”) following the delivery of the Goods at the Delivery Point or performance of the Services to undertake such inspection, and upon such inspection Buyer shall either accept the Goods or Services (“**Acceptance**”) or reject them. Buyer shall have the right to reject any Goods that are delivered in excess of the quantity ordered or are damaged or defective. In addition, Buyer shall have the right to reject any Goods or Services that are not in conformance with the Specifications or any term of this Agreement. Transfer of title to the Goods to the Buyer, or payment for the Goods by Buyer, shall not constitute Buyer’s Acceptance of those Goods. Buyer shall provide Vendor within the Inspection Period notice of any Goods or Services that are rejected, together with the reasons for such rejection. If Buyer does not provide Vendor with any notice of rejection within the Inspection Period, then Buyer will be deemed to have provided Acceptance of such Goods or Services. Buyer’s inspection, testing, or Acceptance or use of the Goods or Services shall not limit or otherwise affect Vendor’s warranty obligations hereunder with respect to the Goods or Services, and such warranties shall survive inspection, test, Acceptance and use of the Goods or Services.

b. Buyer shall be entitled to return rejected Goods to Vendor at Vendor’s expense, at Buyer’s option, either: (i) full credit or refund (at the Buyer’s option) of all amounts paid by Buyer to Vendor for the rejected Goods; or (ii) replacement Goods to be received within the time period specified by Buyer. Title to, and risk of loss or damage to, rejected Goods that are returned to Vendor shall transfer to Vendor upon such delivery and such Goods shall not be replaced by Vendor except upon written instructions from Buyer.

4. Price/Payment Terms. Prices for the Goods and/or Services are as set out in the applicable Order and, are in Canadian Dollars. Such prices include all costs, expenses, fees and charges incurred by the Vendor in performing all its obligations under this Agreement. Price increases or charges, or foreign exchange adjustment or any other adjustment not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by Buyer. Vendor will issue all invoices on a timely basis. All invoices delivered by Vendor must meet Buyer’s requirements, and at a minimum shall reference the applicable Purchase Order. Buyer will pay

the undisputed portion of properly rendered invoices within forty-five (45) days from the receipt of the invoice by Buyer. Buyer shall have the right to withhold payment of any invoiced amounts that are disputed in good faith until the parties reach an agreement with respect to such disputed amounts and such withholding of disputed amounts shall not be deemed a breach of this Agreement nor shall any interest be charged on such amounts. Notwithstanding the foregoing, Buyer agrees to pay the balance of the undisputed amounts on any invoice that is the subject of any dispute within the time periods specified herein. Buyer may, at any time, and from time to time, deduct or set-off from any amounts payable by the Buyer to the Vendor under this Agreement, any money due or claimed to be due from the Vendor to the Buyer whether under or in connection with this Agreement or otherwise.

5. Taxes. Unless otherwise stated in a Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes. Vendor shall separately itemize all applicable taxes each on each invoice and indicate on each invoice its applicable tax registration number(s). Buyer will pay all applicable taxes to Vendor when the applicable invoice is due. Vendor will remit all applicable taxes to the applicable government authority as required by applicable laws. Notwithstanding any other provision of this Agreement, Buyer may withhold from all amounts payable to Vendor all applicable withholding taxes and to remit those taxes to the applicable governmental authorities as required by applicable laws. Buyer retains the right to self-assess taxes and remit to the corresponding governing body where and when applicable.

6. Hazardous Materials. Vendor agrees to provide, upon and as requested by Buyer, to satisfy any applicable laws governing the use of any hazardous substances either of the following: (a) all reasonably necessary documentation to verify the material composition, on a substance by substance basis, including quantity used of each substance, of any Goods, and/or of any process used to make, assemble, use, maintain or repair any Goods; or (b) all reasonably necessary documentation to verify that any Goods and/or any process used to make, assemble, use, maintain or repair any Goods, do not contain, and the Services do not require the use of, any particular hazardous substances specified by Buyer.

7. Legal Compliance; Workplace Safety. In carrying out its obligations under the Agreement, including the performance of Services, Vendor shall at all times comply with all applicable federal, provincial, and municipal laws, regulations, standards, and codes. Vendor shall be at all times registered with the workplace safety and insurance board under the British Columbia *Workers Compensation Act* and shall maintain its workers' compensation accounts in good standing, and provide Buyer with evidence of good standing upon request. Vendor shall obtain all applicable permits, licenses, exemptions, consents and approvals required for the Vendor to manufacture and deliver the Goods and perform the Services.

8. a. Product Warranties. Vendor warrants to Buyer that from the date on which payment is made for the Goods and continuing for a period of 12 months (or such longer period as may be expressly set out in this Agreement) (the "**Goods Warranty Period**") all Goods provided hereunder shall be: (i) of merchantable quality; (ii) fit for the purposes intended; (iii) unless otherwise agreed to by Buyer, new; (iv) free from defects in design, material and workmanship; (v) in strict compliance with the Specifications; (vi) free from any charges, liens or encumbrances on title whatsoever; (vii) in conformance with any samples provided to Buyer; and (viii) compliant with all applicable federal, provincial, and municipal laws, regulations, standards, and codes.

b. Service Warranties. Vendor shall perform all Services: (i) exercising that degree of

professionalism, skill, diligence, care, prudence, judgment, and integrity which would reasonably be expected from a skilled and experienced service provider providing services under the same or similar circumstances as the Services under this Agreement; (ii) in accordance with all Specifications and all Buyer policies, guidelines, by-laws and codes of conduct applicable to Vendor; and (iii) using only personnel with the skills, training, expertise, and qualifications necessary to carry out the Services. Buyer may object to any of the Vendor's personnel engaged in the performance of Services who, in the reasonable opinion of Buyer, are lacking in appropriate skills or qualifications, engage in misconduct, constitute a safety risk or hazard or are incompetent or negligent, and the Vendor shall promptly remove such personnel from the performance of any Services upon receipt of such notice, and shall not re-employ the removed person in connection with the Services without the prior written consent of Buyer.

c. **Intellectual Property Warranty.** Vendor further warrants to Buyer that at all times: (i) the supply of all Goods and Services (including any deliverables to be provided by the Vendor in the performance of the Services ("**Deliverables**") to the Buyer, and the use or other exploitation of the Goods and Deliverables by the Buyer will not be in violation or breach of or infringe any intellectual or industrial property rights, whether protected by statute, at common law or in equity, including any patent, registered design (whether or not registrable), invention, trade secret, right to confidential information, technical information, trademark or name, copyright or other protected right ("**Intellectual Property Rights**") of any person; and (ii) the Vendor owns or has a license in all Intellectual Property Rights in the Deliverables is provides to the Buyer under this Agreement.

d. **Manufacturer Warranties.** Vendor shall assign to Buyer all manufacturer's warranties for Goods not manufactured by or for Vendor, and shall take all necessary steps as required by such third-party manufacturers to effect assignment of such warranties to Buyer.

9. Warranty Remedies.

a. In the event of breach of any of the warranties in Section 9.a or 9.b, and without prejudice to any other right or remedy available to Buyer (including Buyer's indemnification rights hereunder), Vendor will, at Buyer's option and Vendor's expense, refund the purchase price for, or correct or replace the affected Goods, or re-perform the affected Services, within 10 day(s) after notice by Buyer to Vendor of warranty breach. All associated costs, including costs of re-performance, costs to inspect the Goods and/or Services, transport the Goods from Buyer to Vendor, and return shipment to Buyer, and costs resulting from supply chain interruptions, will be borne by Vendor. If Goods are corrected or replaced or Services are re-performed, the warranties in Section 9.a will continue as to the corrected or replaced Goods for a further Goods Warranty Period commencing on the date of Acceptance of the corrected or replaced Goods by Buyer. If Vendor fails to repair or replace the Product within the time periods required above, Buyer may repair or replace the Goods at Vendor's expense. In the event of breach of any of the warranties in Section 9.c, or in the event that any Goods or Deliverables provided by Vendor to Buyer are subject to a claim or allegation of infringement of Intellectual Property Rights of a third party, Vendor shall, at its own option and expense, without prejudice to any other right or remedy of Buyer (including Buyer's indemnification rights hereunder), promptly provide Buyer with a commercially reasonable alternative, including the procurement for Buyer of the right to continue using the Goods or Deliverables in question, the replacement of such Goods or Deliverables with a non-infringing alternative satisfactory to Buyer, or the modification of such Goods or Deliverables (without affecting functionality) to render them non-infringing.

10. **Intellectual Property Rights.** All Intellectual Property Rights in and to each Deliverable shall vest in Buyer free and clear of all charges, liens and encumbrances on receipt of payment by Vendor for each Deliverable. To the extent that any Deliverables contain any intellectual property of Vendor, Vendor hereby grants to Buyer a worldwide, royalty-free, non-exclusive, transferable, perpetual license to use, copy, modify and distribute such intellectual property as part of the Deliverables. Vendor agrees to provide to Buyer all assistance reasonably requested by Buyer to perfect the rights described herein, including obtaining all assignments and waivers of moral rights necessary or appropriate to vest the entire right, title and interest in such materials in Buyer and its successors and assigns.

11. **Confidentiality.** Vendor shall safeguard and keep confidential any and all information relating to Buyer obtained by it or provided to it by Buyer in connection with this Agreement, and shall use such information only for the purposes of carrying out its obligations under this Agreement.

12. **Insurance.** Vendor represents and warrants to Buyer that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent Vendor of goods and services similar to the Goods and Services provided hereunder, including, as applicable, professional errors and omissions liability insurance and comprehensive commercial general liability insurance (including product liability coverage, all-risk contractors' equipment insurance, and automobile liability insurance). In addition, Vendor will take out and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by Buyer. Vendor will promptly deliver to Buyer, as and when requested, written proof of such insurance. If requested, Buyer will be named as an additional insured under any such policies. If requested by Buyer, such insurance will provide that it cannot be cancelled, or materially changed so as to affect the coverage provided under this Agreement, without the insurer providing at least 30 days prior written notice to Buyer.

13. **Indemnities.** Vendor shall indemnify, defend and hold harmless Buyer, its Affiliates (as defined in the British Columbia *Business Corporations Act*), and their respective officers, directors, employees, consultants, and agents (the "**Buyer Indemnified Parties**") from and against any claims (including third party claims), fines, losses, actions, damages, costs, expenses, legal fees and all other liabilities brought against or suffered or incurred by the Buyer Indemnified Parties or any of them arising directly or indirectly out of: (a) death, bodily injury, or loss of or damage to real or tangible personal property resulting from the use of or any actual or alleged defect in the Goods or Services, or from the failure of the Goods or Services to comply with the warranties hereunder; (b) any claim that the Goods or Services infringe or violate the Intellectual Property Rights or other rights of any person; (c) any intentional, wrongful or negligent act or omission of Vendor or any of its Affiliates or subcontractors; (d) Vendor's breach of any of its obligations under this Agreement; (e) any charges, liens or encumbrances relating to any Goods or Services; or (f) any defect or rectification of any defect occurring during the Goods Warranty Period, including costs arising from damage to other areas in the vicinity of the Goods as a result of the defect or works undertaken to correct the defect.

14. **Limitation of Liability.** EXCEPT FOR DAMAGES THAT ARE THE RESULT OF THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF A PARTY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING ANY LOST PROFITS, DATA, GOODWILL, OR BUSINESS OPPORTUNITY FOR ANY MATTER RELATING TO THIS AGREEMENT.

15. **Independent Contractors.** Vendor will perform its obligations under the Agreement as an

independent contractor and in no way will Vendor or its employees be considered employees, agents, partners, fiduciaries, or joint venturers of Buyer. Vendor and its employees will have no authority to represent Buyer or its Affiliates or bind Buyer or its Affiliates in any way, and neither Vendor nor its employees will hold themselves out as having authority to act for Buyer or its Affiliates.

16. **Further Assurances.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

17. **Severability.** If any provision of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part thereof and all other provisions shall continue in full force and effect.

18. **Waiver.** No waiver of any provision of this Agreement shall be enforceable against that party unless it is in writing and signed by that party.

19. **Assignment.** Vendor may not assign or subcontract this Agreement, in whole or in part, without Buyer's prior written consent. Vendor's permitted assignment or subcontracting of this Agreement or any part thereof will not release Vendor of its obligations under this Agreement, and it will remain jointly and severally liable with the assignee or subcontractor for any obligations assigned or subcontracted. The acts or omissions of any subcontractors of Vendor will be deemed to be the acts and omissions of the Vendor. This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators, assigns or successors.

20. **Cumulative Remedies.** Subject to Section 14, the rights and remedies of the Buyer in this Agreement are cumulative and in addition to any other rights and remedies at law or in equity.

21. **Survival.** Any provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or completion of the Agreement will continue in full force and effect after any termination, expiry or completion of this Agreement.

22. **Interpretation.** The headings used in this Agreement and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation. Unless the context requires otherwise, words importing the singular number include the plural and vice versa; words importing gender include all genders. References in this Agreement to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Agreement. Where this Agreement uses the word "including," it means "including without limitation," and where it uses the word "includes," it means "includes without limitation."

23. **Governing Law.** The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. This Agreement shall be governed by the laws of the British Columbia and the federal laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of British Columbia, which will have non-exclusive jurisdiction over any matter arising out of this Agreement.