

2534921 Alberta Ltd. (A wholly owned subsidiary of Iconic Power Systems)	Document Reference ID: IPS-FIN-POL-PBC-008
	Approver: President

GENERAL PURCHASE ORDER TERMS AND CONDITIONS (ONTARIO)

1. TERMS OF AGREEMENT

1.1 These General Purchase Order Terms and Conditions and together with any other documents incorporated by reference, appended, or marked as attachments, including the Purchase Order, and any properly executed Change Orders (collectively the “Contract”), govern the agreement between 2534921 Alberta Ltd. (“253”) and the party identified in the Purchase Order (the “Vendor”) in relation to the performance of the Work. Vendor’s commencement of performance of the Work, including shipment, delivery, or provision of any goods or services, following receipt of the Contract constitutes Vendor’s acceptance of, and agreement to be bound by, the Contract. The Contract forms the entire agreement between the parties, any terms different from or in addition to the Contract, whether communicated orally or contained in any confirmation, invoice, acknowledgement, release, letter, acceptance or other written correspondence, shall not form a part of the Contract even if Vendor purports to condition its acceptance of the Contract on 253’s agreement to such different or additional terms. 253 silence or failure to object shall not be deemed acceptance of any such terms.

1.2 Notwithstanding section 1.1 of these terms and conditions, if a separate written service agreement or master agreement covering performance of the Work described in the Contract exists between Vendor and 253, and has been duly executed by authorized representatives of both parties, the terms of such agreement shall prevail over any inconsistent terms herein.

2. DEFINITIONS

2.1 “Change” means a change to the Work that 253 directs or causes that requires a material adjustment the Due Date or cost of the Work to be performed.

2.2 “Change Order” means a written instrument signed by both parties describing a Change and any corresponding adjustment in the cost of the Work or Due Date, or both.

2.3 “Claims” means any third-party claim, demand, action, loss, damage, liability, expense, fee, or cost, including legal fees on a solicitor client full indemnity basis.

2.4 “Due Date” means the date or dates specified in the Contract by which Vendor is required to deliver or perform the Work.

2.5 “Intellectual Property Rights” means patent, industrial design, copyright, trademark or trade secret protection and rights, or any other type of intellectual property protection and rights, whether registered or unregistered, and including applications for the same.

2.6 “Owner” means the entity that has title to the site where the Work is to be performed and includes a representative of the Owner, if applicable.

2.7 “Site” means the location where the work is to be performed, as specified in the Contract.

2.8 “Work” means the total products, materials and services specified in the Contract that Vendor is to deliver and perform for 253, including all deliverables reasonably inferable therefrom.

3. PERFORMANCE OF WORK

3.1 Time is of the essence in Vendor’s performance of its obligations under this Contract.

3.2 Vendor agrees to perform the Work in a prompt, continuous, and diligent manner and complete the Work by the Due Date. Unless otherwise provided herein, Vendor agrees to furnish all materials, supplies, tools, equipment, supervision, labour, utilities, testing, certifications, shop drawings and other items necessary to fully perform the Work and complete the Work in accordance with the Drawings and Specifications pertaining thereto, including the payment of all insurance, taxes, licenses, bond premiums (as applicable), and guarantees or warranties, all at Vendor’s sole cost and expense.

3.3 Vendor represents and warrants that it: (i) is duly organized, validly existing, in good standing, and properly registered and licensed to do business in the location(s) where the Work is to be performed; (ii) has the required skills and expertise to perform the Work in a highly professional manner using sound engineering principles, sound construction practices, and sound project management and supervisory procedures, all in accordance with accepted industry practices; (iii) knows and has, prior to undertaking its obligations under this Contract, investigated and satisfied itself as to all conditions, limitations, and restrictions on use relating to the Site and the Work, including accessibility, general character, surface conditions, location of utilities both above ground and below, roads, pipelines, uncertainties of seasonal weather and all other physical, topographical, geological, and geographical conditions, including previously completed work that may affect the performance of the Work; (iv) knows and has, prior to undertaking its obligations under this Contract, investigated and satisfied itself as to the general character, quality, quantity and availability of resources, including labour,

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transportation, equipment and materials, required to execute and complete the Work; and, (v) understands the geographic, economic, security, political and cultural conditions prevailing in the location(s) where the Work is to be performed.

3.4 Any failure by Vendor to discover the matters described in Section 3.3 that affect or could affect the performance of the Work shall not relieve Vendor from its obligations under this Contract and Vendor acknowledges that the Contract Price includes and fully accounts for such matters.

3.5 Vendor shall provide the means for delivery, unloading handling, and storage of equipment and materials required for the Work. All equipment or material previously received and stored on the Site by the Owner or 253 for installation by Vendor shall become the responsibility of Vendor as soon as Vendor arrives on the Site. Vendor shall be responsible for proper care, custody, and control of such equipment, which shall remain subject to Vendor's Quality Assurance Program.

3.6 Vendor acknowledges that it does not require rights to use any real estate, including easements or access rights for other property that is not included in the Site in order to perform the Work, including areas for storage, parking and construction laydown. Vendor shall not conduct activities or store equipment or materials unrelated to the Work at the Site.

3.7 Before Vendor makes any shipment to the Site, Vendor shall first communicate with, and receive instruction from 253. Receiving and storage of equipment and materials shall be in accordance with 253 Field Material/ Receiving requirements. All shipping, delivery, and related costs shall be at Vendor's sole expense.

3.8 Vendor shall at all times comply with Applicable Laws. Vendor shall also comply with all applicable labour agreements to the extent legally binding upon it.

3.9 Vendor understands the conditions of the roads, waterways and railroads in the vicinity of the Site, including the conditions affecting shipping and transportation, access, disposal, handling and storage of materials. Vendor is responsible for the costs of repairing any damage caused to such roads, waterways and railroads by Vendor or Vendor's employees or subcontractors.

3.10 Subject to Vendor's rights under Applicable Laws, Vendor warrants that Owner shall obtain title to the equipment, materials and all other aspects of the Work, free and clear of all liens, security interests, charges and other encumbrances whatsoever.

3.11 Vendor shall make good at its expense any damage or loss to any equipment, materials, Work, or the Site caused in whole or in part by Vendor or Vendor, its employees, agents, or subcontractors, regardless of whether such damage or loss is due to negligence.

4. INSPECTION OF WORK BY 253 AND OWNER

4.1 All Work shall be subject to 253 and Owner's right of inspection and approval upon delivery and at any stage of performance.

4.2 As soon as possible after receipt of the Work at the destination point designated in the Purchase Order, 253 shall advise Vendor of any damage, shortages, or non-conformities. Vendor shall immediately take all necessary measures to rectify any damage, shortages, or non-conformities to 253's satisfaction. All costs of such rectification shall be borne by the Vendor.

4.3 In the event any Work is erroneously delivered or in excess of the quantities required, 253 shall have the right to return such Work at Vendor's expense and Vendor shall hold 253 harmless from any Claims arising from the destruction or loss of such Work.

4.4 Where applicable, 253 reserves the right to determine hold points during any and all fabrication Work and shall be entitled to attend Vendor's site to perform such inspections. Instructions to proceed must be received from 253 prior to Vendor performing any Work beyond the specified hold point. No inspection or testing of the Work, nor any acceptance, approval or payment (including final payment), under this Contract shall be construed to be an acceptance of defective Work, nor shall any such act be evidence of Vendor's satisfactory performance of the Work, and shall not relieve Vendor of its obligations hereunder.

5. PRICE, PAYMENT AND TAXES

5.1 Subject to the lien legislation applicable at the Site, if applicable, 253 shall pay Vendor in accordance with this Article 5.

5.2 Unless otherwise specified in the Purchase Order, the price for the Work includes all taxes and other charges such as shipping and delivery charges, fuel surcharges, administrative charges, duties, customs, tariffs, and government-imposed surcharges. Vendor will, at 253's request, detail the price of all such taxes and other charges, in its invoices.

5.3 253 may withhold or set off from any payment due to Vendor any amounts reasonably necessary to protect 253 from Claims, liens, defective or incomplete Work, or other Vendor defaults under this Contract.

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5.4 The Vendor shall submit invoices not less than monthly and a properly prepared invoice must include the Purchase Order number, the banking details of Vendor, all supporting documentation and, if required in the Purchase Order, Vendor's certification of conformance of the Work to the requirements of the Purchase Order.

5.5 Unless otherwise specified on the Purchase Order the Vendor shall submit an invoice for each consignment or Purchase Order to: 253payables@iconicpowersystems.com

5.6 Properly prepared and authorized invoices shall be paid on the last business day of the month following the month in which the invoice is received by 253, subject always to 253's right of set off or withholding under this Contract.

5.7 The Vendor agrees, if the Goods and Services Tax (GST) applies, to invoice in accordance with the Excise Tax Act and any applicable provincial taxation requirements, and include a valid business registration number.

5.8 253 reserves the right to reject any invoice received more than 45 days following completion of the Work, and Vendor waives any right to payment for such invoices.

6. CHANGES

6.1 253 may make Changes in accordance with this Article 6. When a Change is proposed by 253, it shall provide Vendor with a notice in writing describing the Change.

6.2 Vendor shall within 5 days of receiving the notice contemplated under Section 6.1, submit a detailed estimate of any adjustments to the Work, the Due Date, and the cost of the Work that would be required for Vendor to perform the Change.

6.3 Following receipt of Vendor's estimate contemplated under Section 6.2, the parties shall negotiate the required adjustments to the Work, the Due Date, and/or the cost of the Work. Where the parties agree to such adjustments, they shall record their agreement in a Change Order. 253 shall not be liable for any Vendor costs in respect of Work, whether pending or completed, unless authorized by way of duly executed Change Order.

7. REPRESENTATIONS AND WARRANTIES

7.1 Vendor represents and warrants that the Work: (i) shall be of merchantable quality; (ii) shall be fit for the purpose for which the Work has been manufactured, fabricated or supplied; (iii) conforms to the Purchase Order, 253's specifications, and, if properly incorporated by reference, in the Purchase Order, the Vendor's quotation or proposal, and Vendor's brochures or catalogs, and if none of the foregoing is applicable, then such Work shall be suitable for the intended use; and, (iv) that 253's use of the Work does not and shall not infringe upon any third party's Intellectual Property Rights, right of publicity or privacy, or any other proprietary rights under any Applicable Law.

7.2 Vendor warrants that for a period of 12 months from the date of total completion of the Work, or such shorter time as may be agreed to by 253 in writing, the Work shall be free of all faults, defects or nonconformities. If remedial or corrective work is required during the warranty period, the warranty shall be extended for a further 12-month period from the date of completion of such rectification.

7.3 The Vendor shall take all measures necessary to correct any and all faults, defects, or nonconformities, or to replace or have replaced faulty, defective or nonconforming Work with the greatest diligence and at the Vendor's sole expense, including all associated removal, transportation, reinstallation, and testing costs.

7.4 Vendor acknowledges and agrees that all warranties, performance guarantees or similar obligations herein granted by Vendor to 253 may be assigned to or exercised by the Owner, without the need for further consent from Vendor.

8. TERM AND TERMINATION

8.1 The Purchase Order shall remain in effect until the Work is delivered or completed and accepted by 253 or until terminated in accordance with these terms and conditions.

8.2 Notwithstanding any other provision under this Article 8, 253 may terminate this Contract, or any portion of the Work, for its convenience at any time and without cause upon 10 days written notice to Vendor. Upon receipt of notice of such termination, Vendor shall inform 253 of the extent to which it has completed the Work as of the date of the notice, and Vendor shall immediately collect and deliver to 253 whatever Work then exists. 253 shall pay Vendor for all Work performed and accepted up to and including the effective date of the termination, provided that 253 shall not be obligated to accept any Work performed or delivered after Vendor has received notice of termination. Under no circumstance shall 253 be obligated to pay any more than the payment that would have become due had Vendor completed and 253 had accepted the Work. 253 shall have no further payment obligation in connection with any termination, and Vendor shall not be entitled to payment of lost profits, consequential damages, or any other compensation resulting from such termination.

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8.3 253 may, without penalty or payment, suspend performance of this Contract, or any portion of the Work, by written notice to Vendor. At the time of a suspension, 253 shall pay Vendor in accordance with Article 5 for all Work properly performed to the date of the suspension, but shall be entitled to withhold all further payments until suspension is lifted or termination occurs. Upon further written notice by 253 to Vendor, Vendor shall promptly resume performance of the Work, and the Due Date shall be adjusted to account for the duration of the suspension in accordance with Article 6.

9. INDEMNIFICATION

9.1 Vendor shall defend, indemnify and hold 253 harmless from and against any and all Claims arising out of or in connection with any (i) wilful misconduct, fraudulent or negligent act or omission, or other legal fault of Vendor or Vendor personnel; (ii) any breach of this Contract by Vendor; (iii) personal injury (including death) or property damage resulting from or relating to the performance of the Work caused by Vendor, its employees, agents, or subcontractors; and, (iv) any infringement of a third party's Intellectual Property Rights or any other rights, arising out of or in connection with the performance of the Work.

9.2 Nothing in this Article 9 shall limit any other remedy available to 253 under this Contract, at law or on equity.

10. LIABILITY

10.1 Notwithstanding anything else in the Contract or otherwise, under no circumstances or theory of liability shall 253 be liable to Vendor with respect to the subject matter of the Contract for any amounts in excess of the Contract Price.

10.2 In no event shall 253 be liable to the Vendor for any incidental, indirect, special, consequential, exemplary, or punitive damages or loss of profits arising out of, or in connection with, the Purchase Order, whether or not such damages were foreseeable or 253 was advised of the possibility of such damage.

10.3 Nothing in the Purchase Order limits either party's liability for bodily injury of a person, death, or physical damage to property or any liability which cannot be excluded under applicable law.

11. INSURANCE

11.1 If 253 in its absolute discretion deems it necessary, Vendor shall secure and maintain: (i) General Liability Insurance (in accordance with the Alberta Insurance Act) in an amount not less than \$2,000,000 inclusive per occurrence, insuring against bodily injury, personal injury and property damage including loss thereof (ii) Automobile Liability Insurance in an amount of not less than \$2,000,000 for Vendor's vehicles used in the performance or delivery of the Work; (iii) transit insurance for the full replacement value of the materials/equipment during shipment and unloading; and/or (iv) Professional or Errors & Omissions Liability Insurance in an amount not less than \$2,000,000 throughout the term of this Contract and for a period of 12 months following the completion or termination of this Contract insuring its liability resulting from errors or omissions in the performance of its professional services under this Purchase Order.

12. WORKPLACE SAFETY AND INSURANCE BOARD, OCCUPATIONAL HEALTH AND SAFETY ACT

12.1 Vendor shall comply with all Applicable Laws, which for clarity includes the *Occupational Health and Safety Act* (Ontario), the *Labour Relations Act, 1995* (Ontario) and the *Workplace Safety and Insurance Act, 1997* (Ontario), howsoever enacted or imposed, with respect to the obligations hereunder and the liabilities of an employer to its employees for injuries and disease suffered in connection with employment.

12.2 Vendor must maintain an account in good standing with the Workplace Safety and Insurance Board (WSIB). Vendor's account must include coverage for all Vendor's personnel, partners, proprietors or directors of the firm, proprietorship, company or corporation who are present or may have cause to be at the Site. Proof of such good standing shall be provided upon execution of this Contract and at any time thereafter upon IPS's request. Failure to maintain good standing with the WSIB shall constitute a material breach of this Contract.

13. DISPUTE RESOLUTION

13.1 The parties shall use reasonable efforts to resolve any dispute, controversy, or claim arising out of or in connection with this Contract (a "Dispute") through good faith negotiations between representatives of each party who have authority to settle the Dispute.

13.2 If the Dispute has not been resolved within thirty (30) days of written notice of the Dispute by one party to the other, either party may propose that the Dispute be submitted to non-binding mediation before a mutually agreed mediator in Ontario. The costs of mediation shall be shared equally.

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13.3 If the parties are unable to resolve the Dispute through negotiation or mediation, either party may pursue its remedies in the Courts of the Province of Ontario, which shall have exclusive jurisdiction in accordance with Article 14 (Governing Law).

13.4 Pending final resolution of any Dispute, Vendor shall proceed diligently with the performance of the Work in accordance with 253's instructions, and 253 shall continue to make undisputed payments to Vendor in accordance with this Contract.

13.5 Vendor shall bring any claim, demand, or proceeding arising out of or in connection with this Contract within twelve (12) months of the date the cause of action arose, failing which such claim, demand, or proceeding shall be irrevocably barred.

14. GOVERNING LAW

14.1 The Purchase Order shall be construed in accordance with, and all disputes shall be, governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to its conflict of laws provisions. The Vendor irrevocably consents to the exclusive jurisdiction and venue of the Courts of the Province of Ontario, and waives any objection to such forum on the grounds of inconvenient forum or otherwise. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Contract.

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