

PURCHASE ORDER TERMS AND CONDITIONS OF NORTHERN BLOWER INC (2023 10 20)

1. **ACCEPTANCE:** This purchase order, including without limitation, any appendixes, exhibits or schedules attached hereto (collectively, the "Order") is placed by Northern Blower Inc. (the "Buyer") subject to the terms set forth herein. This Order shall be accepted when Seller indicates acceptance, or when Seller commences performance of this Order, whichever occurs first. When accepted, this Order shall be the entire binding contract between the parties and all terms of any proposal, quotation, bid, or otherwise submitted by Seller shall be disregarded and of no consequence. Reference to Seller's quotation, bid, or proposal shall not imply acceptance of any term or condition contained therein.
2. **DELIVERY:** Seller agrees that time is of the essence for this Order. Buyer reserves the right to return goods shipped more than one week in advance of schedule or exceeding or otherwise varying from the quantity specified in this Order. Such goods may, at Buyer's election, be returned to Seller at Seller's expense. If delivery of goods or rendering of services is not completed by the date specified (the "Delivery Date"), Buyer reserves the right, without liability, to purchase substitute goods or services elsewhere and charge Seller with any cost and loss incurred, including excess cost of purchase. If Seller fails to deliver the goods or services, in full, on the Delivery Date, Buyer may also terminate this Order immediately and Seller shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses attributable to Seller's failure to deliver the goods or services on the Delivery Date.
3. **PRICE:** All prices as set out on the face of the Order are firm. No charges of any kind, including charges for boxing, packing, loading, transportation, insurance, custom duties or braces will be allowed unless specifically agreed to by Buyer in writing. Seller agrees that any price reduction made with respect to the Order subsequent to placement will be applied to the Order. Discount periods shall be effective from the later of receipt of the invoice, receipt of the goods or services or the Delivery Date. Seller shall be liable for and shall pay all taxes now or hereafter imposed on Seller by law.
4. **PAYMENT:** Seller shall issue an invoice to Buyer on or any time after the completion of delivery and Buyer's acceptance of the goods and services (as applicable), subject to and in accordance with this Order. Buyer shall pay all properly invoiced amounts due to Seller within thirty (30) days after Buyer's receipt of such invoice, except for any amounts disputed by Buyer in good faith. Without prejudice to any other right or remedy it may have, Buyer reserves the right to (a) withhold payment under this Order or any other contractual arrangement with Seller; or (b) set-off at any time any amount owing to it by Seller against any amount payable by Buyer to Seller, to cover any costs, damages or liabilities that Buyer has incurred or may incur, for which Seller is or may be responsible.
5. **TITLE AND RISK OF LOSS:** Unless otherwise stipulated on the face of the Order, delivery shall be made Delivered Duty Paid (DDP) Buyer's premises, in accordance with Incoterms® 2020. Title and risk of loss shall pass to Buyer upon delivery to the address specified on the face of the Order (the "Delivery Point"). Seller bears all risk of loss or damage to the goods until delivery of the goods to the Delivery Point. Any and all rights, title and ownership in and to any intellectual property of the goods and/or services, including, without limitation, all copyright, patent, trade-mark, designs, or any other intellectual property relating to any of the goods or services provided hereunder, shall be the sole and exclusive property of Buyer (or its designate).
6. **BUYER'S PROPERTY IN SELLER'S POSSESSION:** All tools, special dies, molds, patterns, jigs, spinning blocks and any other property furnished to Seller by Buyer, or specifically paid for by Buyer for use in the performance of the Order shall be and remain the property of Buyer; shall be subject to removal at any time upon Buyer's demand; shall be used only in filling orders for Buyer; shall be maintained in good order and condition and shall be clearly identified as property of Buyer. Seller assumes all liability for loss or damage to such Buyer's property.
7. **INSPECTION AND WARRANTY:**
 - (a) Buyer has the right to inspect the goods or result of services rendered before, on or after the Delivery Date. Buyer, at its sole option, may inspect all or a portion of the goods or services, and may reject all or any portion of the goods or services if it determines the goods or services are non-conforming or defective. If Buyer rejects any portion of the goods or result of the services rendered, Buyer has the right, effective upon written notice to Seller, to: (a) rescind this Order in its entirety; (b) accept the goods or result of services rendered at a reasonably reduced price; or (c) reject the goods or result of services rendered and require repair, correction, replacement or re-performance (as determined in the sole discretion of Buyer) of the rejected goods or result of services rendered (subject to and in accordance with subsection 7(c) below).
 - (b) Seller warrants that all materials, goods or services furnished under this Order shall be free from any defects in workmanship, material, and design; conform to applicable specifications, technical standards and drawings; be fit for their intended purpose; be merchantable; be free and clear of all liens, security interests, or other encumbrances; and not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties shall survive any delivery, inspection or acceptance of, or payment for the goods or services by Buyer. Seller warrants that it shall furnish the goods and perform the services using personnel of required skill, experience, and qualifications and in a professional and workmanlike manner in accordance with or higher than the generally recognized industry standards. The warranties set forth in this Section 7 are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the non-compliance of the goods or services with the foregoing warranties.
 - (c) All or any part of the goods or services found to be defective or nonconforming shall be, as determined in the sole discretion of Buyer, repaired, corrected, replaced or re-performed by Seller promptly, at no charge and at the sole expense of Seller (which shall include, without limitation, cost of shutdown, shipping, removal and reinstallation), upon request by Buyer. If Seller fails to timely repair, correct, replace or re-perform the defective or nonconforming goods or services rendered, Buyer may repair, correct, replace or re-perform them itself or with goods or services from a third party and charge Seller the cost thereof and terminate this Order for cause pursuant to Section 13.
 - (d) Any inspection, claim for breach of warranty or other action by Buyer under this Section 7 shall not reduce or otherwise affect (i) Buyer's rights hereunder or otherwise under law to seek other remedies; or (ii) Seller's other obligations under this Order. Buyer shall also have the right to conduct further inspections and/or make further claims for breach of warranty after Seller has carried out any remedial actions.
8. **CHANGES:** Buyer may, at any time, make changes in (a) quantities ordered; (b) the drawings, standards, specifications, descriptions or instructions applicable to the goods or services covered by this Order; (c) the method of shipment and packing; and/or (d) the place of delivery. If any such required changes cause an increase or decrease in the cost of or the time required for performance, an equitable adjustment shall be made in the contract price or delivery schedule, or both. Any claim by Seller for adjustment under this clause shall be deemed waived unless asserted in writing within ten (10) days from receipt. Price increases, extensions of time for delivery and change in quantity shall not be binding unless expressly agreed to by Buyer in writing.
9. **INDEMNIFICATION:** Seller shall defend, indemnify, and hold harmless Buyer and Buyer's affiliates, successors, or assigns and their respective Personnel (collectively, "Indemnitees") against any and all loss, injury, death, damage, liability, claim, deficiency, action, judgment, interest, award, penalty, fine, cost, or expense, including reasonable legal fees and professional fees and costs, and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers (collectively, "Losses") arising out of or occurring in connection with (a) the goods or services purchased from Seller; (b) performance of this Order by Seller or its Personnel; (c) Seller's or its Personnel's actions or inactions (including, without limitation, negligence, wilful misconduct, omissions or breach of this Order); or (d) any claim that Buyer or the Indemnitee's use or possession of the goods or services infringes or misappropriates the patent, copyright, trademark, trade secret or other intellectual property rights of any third party. Seller shall not enter into any settlement without Buyer's prior written consent and Buyer shall be entitled to participate in the defence.

10. **LIMITATION OF LIABILITY:** To the fullest extent permitted under applicable law, under no circumstances shall Buyer be liable for any Losses (including, without limitation, indirect, special, incidental, consequential, exemplary, aggravated or punitive damages, compensation for loss of profits, anticipated revenue, savings, goodwill or any opportunities), whether based upon breach of contract, tort (including negligence), any other theory of law or equity, including strict liability, or otherwise, arising from or in connection with this Order (or the termination thereof), even if advised of the possibility thereof. The aggregate liability of Buyer and its insurers however arising in connection with this Order, whether arising in contract, tort (including negligence), strict liability or otherwise, shall be limited to the lesser of (a) twenty-five percent (25%) of the purchase price paid by Buyer to Seller for the items giving rise to the claims; and (b) \$25,000.
11. **INSURANCE:** During the term of this Order and for a period of six (6) years thereafter, Seller shall, at its own expense, maintain, and carry insurance in full force and effect, as required by Buyer, which includes, but is not limited to (a) commercial general liability (including product liability) in a sum no less than ten million dollars (\$10,000,000); (b) automobile liability insurance in a sum no less than five million dollars (\$5,000,000) inclusive of any one occurrence or accident; (c) workers compensation and employer's liability insurance in the amounts required in the jurisdiction in which the work is being performed, or if not so mandated by law, in a sum no less than five million dollars (\$5,000,000); and (d) if the Order requires Seller to provide professional advice or services, professional liability insurance with coverage in a sum of no less than five million dollars (\$5,000,000) for each claim, with financially sound and reputable insurers that are approved by Buyer. Upon Buyer's request, Seller shall provide Buyer with a certificate of insurance from Seller's insurer evidencing the insurance coverage specified in this Order or as otherwise required by Buyer. Seller shall provide Buyer with at least thirty (30) days' advanced written notice in the event of a cancellation or material change in Seller's insurance policy. Except where prohibited by law, Seller shall require its insurer to waive all rights of subrogation against Seller. Seller shall include the Buyer's Personnel as additional insureds for each category of insurance set out above.
12. **COMPLIANCE WITH LAW:** Seller acknowledges and agrees that it is in compliance with and shall comply with all applicable laws, regulations, rules, orders and ordinances. Seller shall maintain in effect all of the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Order. Seller further warrants that it will provide Buyer with all required or requested information and documentation related to the subject matter of this Section.
13. **TERMINATION:** In addition to any other remedies that may be provided under this Order, Buyer may terminate this Order with immediate effect upon notice to Seller, either before or after acceptance of the goods or Seller's delivery of services, if Seller has not performed or complied with any of the terms of this Order, in whole or in part. If Seller becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, liquidation, reorganization, or assignment for the benefit of creditors, then Buyer may terminate this Order immediately upon notice to Seller. Buyer may also terminate this Order in full or in part at its convenience for any reason whatsoever. If Buyer terminates this Order for any of the foregoing reasons, Seller's sole and exclusive remedy is payment for the goods and/or services received and accepted by Buyer prior to termination.
14. **CONFIDENTIAL INFORMATION:** All non-public, confidential, or proprietary information of Buyer, including, but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by Buyer to Seller, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with this Order is confidential, and shall only be used by Seller solely for the purpose of performing this Order and may not be disclosed or copied unless authorized in advance by Buyer in writing. Upon Buyer's request, Seller shall promptly return or destroy (as directed by Buyer) all documents and other materials received from Buyer. Buyer shall be entitled to seek any remedies, including, without limitation, injunctive relief, for any violation of this Section.
15. **PERSONNEL:** All terms and conditions of this Order shall apply to Seller's director(s), officer(s), shareholder(s), employee(s), contractor(s), authorized subcontractor(s), agent(s) and/or representative(s) (collectively, "Personnel") and Seller shall be liable and responsible for all acts and omissions of any of the Personnel as if such act or omission were an act or omission of Seller.
16. **ASSIGNMENT:** Seller shall not assign, transfer, delegate, or subcontract any of its rights or obligations under this Order without the prior written consent of Buyer. Any purported assignment, transfer, subcontracting or delegation in violation of this Section shall be null and void. No assignment or delegation shall relieve Seller of any of its obligations hereunder. Buyer may at any time assign or transfer any or all of its rights or obligations under this Order without Seller's prior written consent.
17. **RELATIONSHIP OF THE PARTIES:** The relationship between the parties is that of independent contractors. Nothing contained in this Order shall be construed as creating any agency, partnership, joint venture, or other form of joint enterprise, employment, or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever. No relationship of exclusivity shall be construed from this Order.
18. **GOVERNING LAW:** All matters arising out of or relating to this Order are governed by and construed in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule (whether of the Province of Manitoba or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Province of Manitoba. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Order.
19. **CHOICE OF FORUM:** Any dispute, legal suit, action, litigation or proceeding of any kind whatsoever in any way arising out of, from or relating to this Order and all contemplated transactions, shall be instituted either by mediation, arbitration or in the courts of the Province of Manitoba, as determined and selected in the sole discretion of Buyer. Cost of any mediation or arbitration, if so selected by Buyer, shall be borne by Seller, and the selection of a mediator or arbitrator shall be done by Buyer. Service of process, summons, notice, or other document by mail to such party's address set forth on the face of the Order shall be effective service of process for any mediation, arbitration, suit, action, litigation, or other proceeding brought in accordance with this Section. Each party agrees that a final judgment, order or settlement (as applicable) in any such mediation, arbitration, suit, action, litigation, or other proceeding (as applicable) is conclusive and may be enforced in other jurisdictions in any manner provided by law.
20. **NOTICE:** Each party shall deliver all notices, requests, consents, claims, demands, waivers and other communications under this Order (each, a "Notice") in writing and addressed to the parties at the addresses set forth on the face of this Order (or to such other address that may be designated by the receiving party from time to time in accordance with this Section). Notices sent in accordance with this Section will be conclusively deemed validly and effectively given: (a) on the date of receipt, if delivered by personal delivery, or by a nationally recognized same day or overnight courier (with all fees prepaid); (b) upon the sender's receipt of an acknowledgment from the intended recipient (such as by the "read receipt" function, as available, return email or other form of written acknowledgment), if delivered by email; or (c) on the fifth day after the date mailed by certified or registered mail by Canada Post, return receipt requested, postage prepaid.
21. **SEVERABILITY:** If any term or provision of this Order is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Order or invalidate or render unenforceable such term or provision in any other jurisdiction.
22. **SURVIVAL:** Provisions of this Order which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order, including, but not limited to, the following provisions: Section 7 (Inspection and Warranty), Section 9 (Indemnification), Section 0 (Limitation of Liability), Section 11 (Insurance), Section 12 (Compliance with Laws), Section 14 (Confidential Information), Section 18 (Governing Law), Section 19 (Choice of Forum), and this Section 22 (Survival).

23. AMENDMENTS AND MODIFICATIONS: This Order may only be amended or modified in a writing stating specifically that it amends this Order and is signed by an authorized representative of each party.