

CIVIDA PURCHASE ORDER TERMS AND CONDITIONS

ARTICLE 1 – INTERPRETATION

1.01 Defined Terms

When used in the Contract, the following words or expressions have the following meanings:

“**Conflict of Interest**” includes, but is not limited to, any situation or circumstance where the Supplier’s other commitments, relationships or financial interests: (a) could or could be seen to exercise an improper influence over the objective, unbiased, and impartial exercise of its independent judgment; or (b) could or could be seen to compromise, impair, or be incompatible with the effective performance of its obligations under the Contract;

“**Contract**” means the purchase order for the Deliverables issued by the Purchaser to the Supplier (the “**Purchase Order**”), including these Purchase Order Terms and Conditions;

“**Deliverables**” means the goods and/or services as described in the Purchaser Order;

“**Indemnified Parties**” means the Purchaser, its elected officials, directors, officers, agents, employees, and volunteers;

“**Industry Standards**” include, but are not limited to: (a) the provision of all labour, supplies, equipment, and other goods or services that are necessary and can reasonably be understood or inferred to be included within the scope of the Contract or customarily furnished by parties providing goods or services similar to the Deliverables in similar situations in Canada; and (b) adherence to commonly accepted norms of ethical business practices, which shall include the Supplier establishing, and ensuring adherence to, precautions to prevent its employees or agents from providing or offering gifts or hospitality of greater than nominal value to any person acting on behalf of or employed by the Purchaser;

“**Purchaser**” means Civida;

“**Rates**” means the price, in Canadian funds, to be charged for the Deliverables, as set out in the Contract, representing the full amount chargeable by the Supplier for the provision of the Deliverables, including, but not limited to: (a) all applicable duties and taxes; (b) all labour and material costs; (c) all travel costs; (d) all costs associated with insuring, transporting, and delivering the Deliverables to the Purchaser at its address specified on the Purchase Order; (e) all insurance costs; and (f) all other overhead, including any fees or other charges required by law;

“**Related Entities**” include directors, officers, employees, agents, partners, affiliates, volunteers, and subcontractors.

“**Requirements of Law**” means all applicable requirements, laws, statutes, codes, acts, ordinances, orders, decrees, injunctions, by-laws, rules, regulations, official plans, permits, licenses, authorizations, directions, and agreements with all authorities that now or at any time hereafter may be applicable to either the Contract or the Deliverables or any part of them; and

“**Supplier**” means the supplier identified on the face of the Purchase Order.

ARTICLE 2 – GENERAL PROVISIONS

2.01 Governing Law

The Contract shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

2.02 Entire Contract

The Contract, together with any additional documentation referenced in the Purchase Order, sets forth the entire agreement between the parties with regard to the provision of the Deliverables and supersedes any prior understanding or agreement, collateral, oral, or otherwise, existing between the parties. In the event of any ambiguity, conflict, or inconsistency between these Purchaser Order Terms and Conditions and any terms and conditions contained in any acknowledgement, order, or any other form issued by the Supplier, these Purchase Order Terms and Conditions shall prevail. Changes to the Contract shall only be made by the issuance of an amended Purchase Order by the Purchaser to the Supplier.

2.03 Notices

Notices shall be in writing and shall be delivered by mail, personal delivery, or email and shall be addressed to the contact identified on the face of the Purchase Order.

2.04 Severability

If any term or condition of the Contract, or the application thereof, is to any extent invalid or unenforceable, the remainder of the Contract, and the application of such term or condition (except to the extent to which it is held invalid or unenforceable), shall not be affected.

2.05 No Indemnities from Purchaser

Nothing in the Contract, whether express or implied, will directly or indirectly increase the indebtedness or liabilities of the Purchaser beyond the obligation to pay the Rates in respect of Deliverables accepted by the Purchaser.

2.06 Force Majeure

Neither party shall be liable for damages caused by delay or failure to perform its obligations under the Contract where such delay or failure is caused by natural disasters, acts of war, insurrection or terrorism. If a party seeks to rely on a force majeure event, that party shall immediately notify the other party of the reason for and anticipated period of any delay.

2.07 Survival

This paragraph and paragraphs 2.01, 2.04, 2.05, 3.02, 3.04, 4.01, and 6.02 shall survive the termination or expiry of the Contract, as shall any other provision which by its nature ought to reasonably survive such termination or expiry.

ARTICLE 3 – RELATIONSHIP BETWEEN PURCHASER AND SUPPLIER

3.01 Supplier’s Power to Contract

The Supplier represents and warrants that it has the full right and power to enter into the Contract and there is no agreement with any other party that would in any way interfere with the rights of the Purchaser under this Contract.

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3.02 **Supplier Not a Partner, Agent, or Employee**

The Supplier shall have no power or authority to bind the Purchaser or to assume or create any obligation or responsibility, express or implied, on behalf of the Purchaser. The Supplier shall not hold itself out as an agent, partner, or employee of the Purchaser. Nothing in the Contract shall have the effect of creating an employment, partnership, or agency relationship between the Purchaser and the Supplier or any of the Supplier's Related Entities.

3.03 **Non-Exclusive Contract, Work Volumes**

The Purchaser makes no representation regarding the volume of goods and services required under the Contract and reserves the right to contract with other parties for goods and services the same as or similar to the Deliverables.

3.04 **Responsibility of Supplier**

The Supplier agrees that it is liable for the acts and omissions of its Related Entities. The Supplier shall advise its Related Entities of their obligations under the Contract and shall ensure their compliance with the applicable terms of the Contract.

3.05 **No Subcontracting or Assignment**

The Supplier shall not subcontract or assign the whole or any part of the Contract without the prior written consent of the Purchaser. Such consent shall be in the sole discretion of the Purchaser and subject to the terms and conditions that may be imposed by the Purchaser. Nothing in the Contract, or in such consent, creates a contractual relationship between any subcontractor and the Purchaser.

3.06 **Conflict of Interest**

The Supplier shall: (a) avoid any Conflict of Interest in the performance of its contractual obligations; (b) give notice to the Purchaser without delay of any actual or potential Conflict of Interest that arises during the performance of its contractual obligations; and (c) comply with any requirements prescribed by the Purchaser to resolve any Conflict of Interest.

3.07 **Contract Binding**

The Contract can be enforced by and is binding upon the parties and their successors, executors, administrators, and their permitted assigns.

3.08 **Confidentiality**

Supplier shall not disclose any confidential or proprietary information, documentation or records of Purchaser or its residents ("Confidential Information") unless authorized by Purchaser to do so. Supplier's employees, officers, agents, subcontractors and suppliers must also be bound to this obligation, and such confidentiality obligations shall survive termination of the Purchase Order for any reason. Such obligation shall not apply to information, documentation or record: (a) already in the public domain; (b) to the extent disclosure is required by applicable Law; or (c) to the extent such information, documentation or records are received by the Supplier on a non-confidential basis from a third party, provided that to the best of the Supplier's knowledge, such third party was not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the Supplier.

ARTICLE 4 – PERFORMANCE BY SUPPLIER

4.01 **Deliverables Warranty**

The Supplier represents and warrants that the Deliverables: (a) shall be provided diligently in a professional and competent manner by persons qualified and skilled in their occupation in accordance with: (i) the Contract; (ii) Industry Standards; and (iii) the Requirements of Law; and (b) shall be free from defects in material, workmanship, and design, suitable for the purposes intended, in compliance with all applicable specifications and free from liens or encumbrance on title. The Supplier represents and warrants that the use or sale of the Deliverables purchased under this Contract will not infringe any patent, copyright, or trademark.

4.02 **Delivery and Title**

Unless otherwise stated on the face of the Purchase Order, all Deliverables shall be delivered F.O.B. Destination, Freight Prepaid. No transportation or delivery charges of any kind, including, without limitation, packing, storage, cartage, or customs brokerage charges, shall be paid by the Purchaser, unless specifically provided for on the face of the Purchase Order. Title to any goods shall pass to the Purchaser upon the earliest of (a) payment by the Purchaser for the goods, or (b) delivery of the goods. All goods shall be provided free and clear of all encumbrances.

4.03 **Packaging and Risk**

The Deliverables will be suitably packed in such a manner as will ensure their safe transportation undamaged to their destination. The Deliverables will remain at the risk of the Supplier until the Deliverables are received by the Purchaser.

4.04 **Inspection and Acceptance**

Receipt of the Deliverables at the Purchaser's location does not constitute acceptance of the Deliverables by the Purchaser. The Deliverables are subject to the Purchaser's inspection and acceptance within a reasonable period of time after delivery. If any of the Deliverables, in the opinion of the Purchaser, are inadequately provided or require corrections, the Supplier shall make the necessary corrections at its own expense as specified by the Purchaser in a rectification notice.

4.05 **Health and Safety**

The Supplier shall comply with the Province of Alberta health and safety legislation and ensure that the persons assigned to provide the Deliverables under the Contract adhere to the legislation and all applicable statutes and regulations. The Supplier shall also comply with the Purchaser's security and health and safety procedures.

4.06 **Time**

Time is of the essence of this Contract.

ARTICLE 5 – PAYMENT FOR DELIVERABLES

5.01 **Payment According to Contract Rates**

The Purchaser shall pay the Supplier for the Deliverables in accordance with the Rates within thirty (30) days of receipt by the Purchaser of a satisfactory invoice from the Supplier requesting payment for Deliverables that have been received and accepted by the Purchaser.

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All invoices submitted by the Supplier must include the amount invoiced, exclusive of GST, and the amount of GST shown separately.

The Purchase Order number must appear on all documentation relating to the Contract, including, but not limited to, invoices and delivery and packing slips. Invoices that do not include the applicable Purchase Order number, item number, and order description shall not be processed and shall be returned to the Supplier until the appropriate information is provided.

5.02 No Expenses or Additional Charges

The Supplier shall pay all applicable taxes and duties, including excise taxes, incurred by or on the Supplier's behalf with respect to the Contract. There shall be no charges payable by the Purchaser to the Supplier other than the Rates.

ARTICLE 6 – INSURANCE AND INDEMNIFICATION

6.01 Insurance

The Supplier shall put into effect commercial general liability insurance, in a form acceptable to the Purchaser, in an amount not less than \$5,000,000, with the Purchaser as an additional insured. The Supplier will also put into effect such other additional insurances as required by the Purchaser. The Supplier shall provide the Purchaser with evidence of insurance upon request.

6.02 Supplier Indemnity

The Supplier agrees to indemnify and save harmless the Indemnified Parties from all losses, claims, damages, actions, causes of action, costs, and expenses that the Indemnified Parties may sustain, incur, suffer, or be put to at any time, either before or after this Contract ends, including for infringement of third-party intellectual property rights or for third-party bodily injury (including death), personal injury, and property damage, arising or occurring, directly or indirectly, by reason of any act or omission of the Supplier or its Related Entities, except to the extent that such liability arises out of the independent acts or omissions of the Indemnified Parties.

ARTICLE 7 – TERMINATION

7.01 Immediate Termination of Contract

The Purchaser may immediately terminate the Contract upon giving notice to the Supplier for any reason, notwithstanding that the Supplier might not be in default under the Contract, and in such event the Purchaser shall be liable to the Supplier only for the payment of the Rates in respect of Deliverables accepted by the Purchaser up to the date of termination. The express rights of termination in the Contract are in addition to and shall in no way limit any rights or remedies of the Purchaser under the Contract, at law, or in equity.

7.02 Default and Termination

If Supplier (a) fails to deliver the goods or provide the services within the time or by the date required by the Purchase Order; (b) delivers defective or nonconforming goods or services; (c) fails to perform according to the terms of the Purchase Order, these Purchase Order Terms and Conditions; (d) files for bankruptcy, assigns assets for the benefit of creditors, becomes insolvent or is unable to pay its obligations as they mature; or (e) fails to remove any claim or lien filed against the goods by third parties; then Purchaser may deem Supplier to be in default, and at Purchaser's sole option, and

without limitation on other remedies available at law or in equity, take one or more of the following actions:

(i) reject all or part of the Deliverables (whether or not the Deliverables have previously been accepted by the Purchaser) in which case the Supplier shall immediately remove the goods at the Supplier's expense, or Purchaser may return the goods to Supplier at Supplier's expense; (ii) require the Supplier to replace the goods or reperform the services, or make good any defect in the goods or services; (iii) withhold any payment and/or set off against any payment otherwise owed to Supplier under the Purchase Order in an amount that in Purchaser's sole determination is a reasonable estimate of the costs and damages incurred as a result of Supplier's default; (iv) cure any default, including without limitation ordering substitute goods or services from a third party, and charge the cost thereof to Supplier's account, together with a fee equal to 10% of the cost of the substitute goods or services; and (v) terminate the Purchase Order on written notice to Supplier.

In addition to and without limiting the remedies described above, Supplier shall be liable for all costs, expenses, damages and losses incurred by Purchaser as a result of Supplier's default.

[END OF PURCHASE ORDER TERMS AND CONDITIONS]