

Purchase Order –Standard Terms & Conditions

“Agreement” means the agreement between the Supplier and Buyer for the purchase and sale of Goods and/or Services.

“Buyer” means Kovatera Inc.

“Supplier/Vendor” means the person, firm, company or other legal entity to whom the Purchase Order is issued.

“Purchase Order” means the purchase order between Buyer and Vendor for the purchase and sale of Goods and or/Services, to which the Standard Purchase Terms are attached or are incorporated.

“Products” means all the products, equipment or other goods specified on the Purchase Order.

“Due/Promised Date” – means the date of delivery for Goods or performance of Service as specified in a Purchase Order.

“Ship to” – means the designated delivery location as set forth on the Purchase Order, or as otherwise agreed in writing between Vendor and the Buyer.

“Goods” means the goods that are required to be delivered by the Supplier/Vendor pursuant to a Purchase Order, and include all materials, component parts, packaging and labelling of such goods.

“Price” means the price specified in the Purchase Order, or as otherwise agreed between the parties in writing.

Price

Price for the Goods and /or Services will be set out in the applicable Purchase Order. Price increases or changers not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by the Buyer. Unless otherwise specified in the Purchase Order, the Price shall be in Canadian dollars and includes all packaging, transportations costs to the delivery point, insurance, customs, export duties and fees. The Supplier shall itemize all such taxes and other charges in it invoices separate from the Price.

Changes and Additional Work

The Buyer has the right to modify the Purchase Order with respect to quantities, delivery schedules and/or specifications, by means of a change order. The Price shall be equitably increased or decreased based on the Supplier’s actual and direct increased costs or savings resulting from the content of the change order. Within three (3) business days after receiving a Change Order, the Supplier must advise the Buyer in writing whether the Supplier can provide the requested changes. Upon agreement, the Change Order must be signed by authorized representatives of each party and will be subject to all other terms and conditions



accept of the contract. The Buyer will not pay for any changes to any Products or Services that are not authorized via a change order.

Delivery of Goods and Services

The Supplier agrees to supply and deliver the Goods to the Buyer and to perform the Services, applicable, on the terms set out in this Agreement. Delivery shall be strictly in accordance with the delivery schedule. If the Supplier is unable to or reasonably anticipates that it will be unable to meet a delivery date, the Supplier shall promptly notify the Buyer in writing, the steps to mitigate the failure, and the earliest possible date for delivery. Unless the Buyer agrees in writing to a substitute delivery date, the Vendor's failure to deliver Products or Services by the due date shall constitute a material breach on the Contract. If Supplier fails to meet the due date, the Buyer may at its option: (1) refuse to accept such Products or Services and terminate the Purchase Order or (2) require the Vendor to deliver the Products or complete the Services by the most expeditious means, with all additional costs and expenses borne by the Supplier.

If the Supplier fails to deliver the products to the delivery point, the Supplier is responsible for any additional expenses incurred in delivery the Products to the correct destination.

The Purchase Order must appear on all shipping documents, shipping labels, bills of lading, invoices, correspondence, and any other documents pertaining to the Purchase Order. Shipments containing materials ordered under more than one Purchase Order must be packaged separately, be grouped on a Purchase Order basis, and clearly list the corresponding Kovatera Purchase Order numbers on the outside of each individual package. Any shipments, packing slips or documentation etc. received by the Buyer without a Kovatera Inc, purchase order clearly marked will be returned at the Suppliers expense.

The Products shall be properly packaged to avoid damage during loading, transportation and unloading. All Products that are "Hazardous Materials" as defined by applicable laws shall be marked by the Supplier with international danger symbols and display the name of the material in English.

All applicable WHMIS and MSDS documents must accompany any dangerous Goods delivery.



Materials that are considered electrical equipment must meet applicable CSA/ANSI standards, comply with all requirements in the applicable federal and provincial electrical codes and regulations, and be labelled according to the applicable provincial rules.

For materials from sources outside Canada, the Supplier shall comply with all Canada Boarder Service Agency requirements, follow all instructions of the Buyer and customs broker as directed by the Buyer.

The Supplier warrants that it has or shall have at the time of delivery to the Buyer good and marketable title to the goods and that on payment for the goods, the Buyer shall obtain such title to the goods free and clear of all liens, charge, and encumbrances.

Title to, and the risk of loss of, the goods shall pass in accordance with the applicable Incoterm specified in the Purchase Order, or as otherwise specified in the Purchase Order in relation to the specific goods. Otherwise, they shall not pass to the Buyer until acceptance of the goods by the Buyer at the destination. Goods that are rejected by the Buyer pursuant to any provision hereof shall be deemed to have not been accepted.

Supply and Services

The Suppler shall perform and shall cause each Supplier related party to perform all services specified herein in accordance with the Purchase Order, and in accordance with industry standards and all applicable laws.

The Supplier shall ensure all persons, whether employees, agents, permitted subcontractors, or anyone acting for or on behalf of the Supplier, are properly licensed, certified or accredited as required by applicable law and are suitably skilled, experienced and qualified to provide the Goods and/or to perform the Services and have received all required health and safety training and hold all necessary health and safety and vocational qualifications required for the safe and orderly performance of the Services. If delivery of the Products or performance of the Services requires access to the Buyer's premises, the contractor shall (a) observe all generally accepted safety practices and shall be held responsible for furnishing to its personal protective equipment (e.g., safety glasses, hardhats etc.) to safely perform its obligations hereunder. (b) comply with all the Buyer's safety rules for contractors, copies of which will be furnished to contractor before any work commences (c) to be fully responsible for all work performed by and the actions or omissions of, its personnel and (d) at all times keep the premises free from accumulations of waste material or rubbish. The Supplier's contractor shall not unreasonably encumber the Buyer's



premises and shall confine all materials, equipment, and other operations of its personnel to limits indicated by law, ordinance or permits. The Supplier's contractor shall obtain prior written approval from the Buyer before storing or moving any equipment or materials or erecting or moving any temporary facility of the Buyer's premises. The Supplier's contractor shall advise its personnel that:, (1) Buyer prohibits the use, possession, sale and distribution of alcohol, illegal drugs or other controlled substances on its premises of any person in possession of such substances for nonmedical reasons (2) entry onto the Buyer's premises constitutes to consent to an inspection of the person, vehicle and personal effect of the contractor's personnel when entering, while on, or upon leaving the Buyer's premises, and; (3) any contractor personnel on the Buyer's premises found in violation of this policy or who refuses to permit inspection be immediately removed and barred from Buyer's premises at the sole and absolute discretion of the Buyer.

Subcontracting and Assignment

The Supplier may not assign or subcontract Purchase Order, in whole or in part, without the Buyer's written consent. The Supplier's permitted assignment or subcontracting of any part or all of the Purchase Order will not release the Supplier or its obligations hereunder.

Independent Contractors

The Supplier is, and shall always remain, an independent contractor in connection with the Purchase Order. The Supplier is not and shall not represent the Supplier to be an agent, joint venture, partner, employee, or representative of the Buyer or as being related to the Buyer in any way other than as an independent contractor.

Use of Name

Neither the Supplier or any representatives of the Supplier shall utilize the name or trademarks of the Buyer being "Kovatera" or any of its affiliates in any communications, including any customer lists, without the express prior written authorization of the Buyer, which authorization may be unreasonably withheld by the Buyer.

Workers Compensation



The Supplier shall be, at all time, registered with the workplace safety and insurance board under the applicable provincial workplace safety and insurance legislation and shall maintain its workers compensations accounts in good standing, and provide the Buyer with evidence of good standing upon request.

Inspection and Acceptance.

Materials are subject to inspection by the Buyer within thirty (30) days after receipt at the FOB Location.

Upon such inspection, the Buyer shall either accept the Products and/or Goods or reject them. The Buyer shall have the right to reject any Products(s) and/or Good(s) found to be more than the quantity ordered or are damaged, contain a defect in materials, workmanship or design. The Buyer shall be entitled to return rejects Goods to the Supplier at the Suppliers expense and of loss for, at Buyers option (1) full credit or refunds paid by the Buyer to the Suppler for the rejected Goods; or (2) replacement of the Goods to be received within the time specified by the Buyer.

The Supplier shall not deliver Goods that were previously rejected on grounds of noncompliance with this Purchase Order unless delivery of such Goods is approved in advance by the Buyer and is accompanied by a written disclosure of the Buyer's prior rejection(s).

The Supplier further option agrees that if the Goods and/or Services fail to comply with the Purchase Order, the Supplier shall at the Buyer's option (a) re-perform the Services at the Supplier's expense, or (b) refund the amounts paid for such defective Goods/and or Services. If Contractor fails to so act within five (5) business days of receiving such written notice from the Buyer, in addition to its other rights and remedies hereunder and at law and equity, the Buyer may, at its option, cancel the Purchase Order upon written notice to the Supplier and procure the Goods or Services elsewhere, and charge the Supplier with any increase cost or losses incurred.

Warranties

The Supplier covenants and warrants to the Buyer the until the later of (i) a period of 12 months from; (1) in the case of Goods, the date of delivery of the Goods to the Buyer and (2) in the case of Services, the date of the completion of the Service by the Supplier; and (ii) such longer period as



may be available for Goods sold by the Supplier, the Goods supplied and/or Services performed will: (A) be free from any defects in workmanship, material and design; (B) conform to the applicable specifications, drawings, designs, samples and other requirements set out in the Purchase Order; (C) be fit for their intended purpose and operates as intended; (D) be merchantable. The Buyer shall be entitled to return rejected Goods to Supplier at the Suppliers expense and risk of loss for, at the Buyer's option, either: (i) full credit or refund of all amounts by the Buyer to the Supplier for the rejected Goods; or (ii) replacement Goods to be received within the time period specified by the Buyer. If the Buyer gives the Supplier notice of a warranty claim within the warranty period, the Seller shall, at its own sole risk, cost and expense, within 30 days (i) replace or repair the defective or non-conforming Goods and pay for all related expense, including but not limited to, transportation charges for the return of the defective or non-conforming Good to the Supplier and the delivery of repaired or replacement Goods to the Buyer, and, if applicable, (ii) report or re-perform the applicable Services at a time and location specified by the Buyer. If Goods or Supplies are corrected or replaced for a further material warranty period commencing on the date of acceptance of the correct or replaced good or supply by the Buyer.

Manufacturer Warranties

The Supplier shall assign to the Buyer all the manufacture's warranties for Goods not manufactured by or for the Supplier and shall take all necessary steps as required by such third-party manufacturers to effect assignment of such warranties to the Buyer.

Safety Notices

If at any time the Supplier, materials manufacturer, and/or recognized reporting agency issues or communicates a safety warning (including any recall, alert, advisory, or warning) regarding the Goods, the Supplier shall. (1) – communicate the safety notification to the Buyer contact listed on the face of the Purchase Order by e-mail, fax or mail. (2) follow any regulatory protocols and requirements and (3) take all steps necessary to remedy the situation. If the Supplier becomes aware of any possible design defect or malfunction condition in the Goods or materials similar to



those supplied under the Purchase Order, the Supplier shall also inform the Buyer of defect or malfunction at its earliest possible opportunity after the Supplier becomes aware of it.

Confidentiality

The Supplier 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 Purchase Order and shall use such information only for the purpose of carrying out its obligations under this Purchase Order and may not be disclosed or copied unless authorized in advance by the Buyer. Upon the Buyer's request, the Supplier shall promptly return all documents and other materials received from the Buyer. The Buyer shall be entitled to any injunctive relief for any violation of this section by the Supplier.

Prohibition of Bribery

The Supplier warrants that it is not engaged in corrupt practices, including bribery, secret commissions, facilitation payments or kickbacks. The Supplier warrants that it will comply with the anti-bribery laws of the countries in which it operates and those which may apply to the provision of Goods and Services under this contract.

Intellectual Property

The Supplier warrants that the Goods and Services do not infringe upon, misappropriate, or constitute an unauthorized use of any patent, trade secret, copyright, trademark, or other intellectual property right. The Supplier shall fully defend, protect, indemnify, and save harmless the Buyer and the Buyer's related parties from and against any claims, losses, damages, costs and expenses of any nature or amount, based upon or resulting from any infringement by the Buyer or the Supplier's related parties of any third-part intellectual property rights.

Force Majeure



A party shall not be considered to be in breach of its obligations under the Purchase Order in the event that those obligations cannot be performed due to a force majeure event. The obligations of a party maybe be delayed, suspended, or cancelled by any occurrence beyond it reasonable control, including acts of God; acts of civil or military authorities, war, riot, fire, explosion, flood, sabotage or acts of terrorism; changes in applicable government law, regulations, or orders, freight embargoes, labor disputes, or other cause, but not for events that were reasonably foreseeable or were caused by the party claiming the Force Majeure. If a party is delayed or prevented from performing due to a Force Majeure, the party must inform the other party in writing as soon as practicable, but in all cases within five (5) days of the start of the Force Majeure, of the details and nature of the Force Majeure and its expected duration. If the Force Majeure lasts, or is reasonably expected to last, more than thirty (30) days, then the non -declaring party may immediately terminate the Contract by notice in writing. Upon the cessation of such impact, such party shall promptly resume the performance of such obligation. The adjustment of the delivery schedule shall be the sole remedy of the Supplier in the case of a delay due to the existence of a force majeure event. The price specified in the Purchase Order shall not be increased due to a force majeure event.

Termination

The Buyer may terminate the Purchase Order for convenience upon thirty (30) days prior written notice to Supplier. Either party may terminate this Purchase Order with immediate effect if the other party becomes insolvent, files a petition for bankruptcy, or commences or has commenced against its proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of the other party's creditors. Upon termination Supplier shall at the Buyer's option; (i) fulfill all or part of the obligations under this Purchase Order as specified in the notice, which shall be paid by the Buyer hereunder, or (ii) cease all performance, in which case the Buyer shall compensate the Supplier for amounts due for Goods received or Services rendered and documented costs and expense solely related to the Goods or Services incurred prior to the effective date of termination, not to exceed the Price. The Supplier shall also promptly refund the remaining balance of amounts prepaid to the Supplier for Goods and Services not delivered.

Payment Terms

Supplier shall issue an invoice to Buyer no later than **30** days after the completion of delivery of the Goods or performance of the Services and only in accordance with the Agreement. All invoices



and supporting documentation must be sent via email to AP@KOVATERA.COM as a PDF attachment. All emails must contain the Purchase Order number and invoice number(s) in the subject line of the email, with each attached PDF name by Purchase Order number. PDFs received that include invoices belonging to multiple Purchase Order numbers may be returned and not process for payment. The Buyer shall pay all properly invoiced amounts due to the Supplier within **45** days after the Supplier receipt of such invoice, except for any amounts disputed by the Buyer. The 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.

Insurance

The Supplier represents and warrants to the Buyer that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier supplying a similar scope and magnitude of Goods to be 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, the Supplier will take out and maintain, at its own cost, such insurance policies and coverages as may be required by the buyer from time to time. The Supplier will promptly deliver to the Buyer, as and when requested, written proof of such insurance. If requested, the Buyer (i.e., Kovatera Inc.) will be named as an additional insured under any such policies. If requested by the Buyer, such insurance will provide that it cannot be cancelled, or materially changed so to affect the coverage provided under this Agreement, without the insurer providing at least 30 days prior written notice to the Buyer.

Audit

The Supplier will maintain and retain for the longer of two (2) years after the delivery of any Goods under this Purchase Order, or until the final resolution of any outstanding dispute between the Buyer and the Supplier, all internal books and records pertaining to the Goods in sufficient detail and condition to permit inspections, review and/or audit of such books and records by the Buyer and its authorized representative. The Buyer's authorized representative shall have the right to conduct such inspections, review, follow-up to non-conformances and/or audit of such books and records upon five (5) days' notice to the Supplier.



Time of Essence

Time shall be of the essence.

Governing Law

This Purchase Order is governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein with giving effect to any choice or conflict of law provision or rule that would cause the application of the laws or any jurisdiction other than those of the Province of Ontario to apply. The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement.