

## Standard Purchase Order Terms and Conditions

1. **Acceptance of Purchase Order.** The Supplier by the Acceptance of this Purchase Order (the "Order") accepts all the terms and conditions hereof. These terms and conditions supersede and take precedence over any and all previous verbal or written arrangements in connection with this Order. Any deletions, modifications, alterations of, or additions to the terms and conditions of the Order to be binding shall be in writing and specified by Oshawa PUC Networks Inc ("OPUCN") in the Order and shall be attached to this Purchase Order.
2. **Delivery** Supplier shall comply with the required delivery date or schedule (the "Delivery Requirements") specified in this Order, and shall not make material commitments that adversely impact its ability to achieve such. Goods shipped or services performed in advance of the Delivery Requirements may be returned to Supplier or warehoused at Supplier's expense. Supplier shall advise OPUCN immediately of any anticipated delays. Unless agreed to and approved by OPUCN in writing, nothing shall result in a change to the Delivery Requirements.
3. **Time of the Essence** Time is of the essence for this Order. Supplier shall provide and deliver all goods and services in accordance with the Delivery Requirements. In the event of a delay or failure of Supplier to meet such, for reasons other than a recognized Force Majeure event as set out in these terms and conditions, Supplier shall pay for all direct expenses incurred by OPUCN caused by Supplier's delay or inability to deliver. Furthermore, OPUCN reserves the right to cancel this order, or any part thereof, without prejudice to its other rights, saving OPUCN harmless for any expenses caused by the failure of Supplier to meet Delivery Requirements, even if OPUCN ultimately accepts delivery of the goods or services in this Order. The Supplier agrees that OPUCN may return part or all of any shipment so made, and charge Supplier with any loss or expense sustained as a result of such failure to deliver.
4. **Price.** Unless otherwise specified, the price of this Order represents the complete cost to OPUCN, fixed in Canadian dollars, at the point of delivery specified herein inclusive of all duties of every kind, including license fees, patent royalties, taxes, levies, packaging, loading, cartage and other charges.
5. **Payment Terms and Invoice** Invoices shall be paid within thirty (30) days, unless otherwise agreed to in writing by OPUCN. The calculation of the payment period shall commence upon all of the following conditions being satisfied: (1) the delivery of the goods or services supplied in this Order; (2) the acceptance by OPUCN of the goods or services supplied; and (3) receipt by OPUCN of an accurate and complete invoice by Supplier setting out the Order number and an itemized description of the goods or services Supplier provided in accordance with the Order. OPUCN shall be entitled to set-off against any amounts owing to Supplier, any amounts owing by Supplier hereunder.
6. **Expenses** Supplier shall be wholly responsible for expenses incurred in the performance of this Order unless this Order explicitly provides for reimbursement of expenses. Where this Order explicitly provides for reimbursement of expenses, OPUCN will reimburse (1) only the expenses explicitly listed in this Order, and (2) only the expenses that are reasonable, necessary and actually incurred in the performance of this Order. OPUCN shall reserve the right to request or audit all original itemized expense receipts, to be submitted to OPUCN with accompanying invoices.
7. **Suspension, Cancellation and Changes** OPUCN reserves the right to suspend or cancel this Order in whole or in part or to change it at any time, including additions or deletions to quantities, upon written notice to Supplier. If cancellation or suspension takes place, delivery shall be accepted at the purchase price of all goods and services delivered, in-transit, completed or uniquely procured for OPUCN which cannot otherwise be cancelled or applied to another customer order, prior to receipt of notice of cancellation or suspension. Upon receipt of such notice, Supplier shall, in addition to complying with the requirements of such notice, immediately (1) stop production and delivery of all goods and services, (2) accept no orders for goods and services, and (3) protect all goods and services under Supplier's control in which OPUCN may have a full or partial interest. Supplier shall immediately comply with such notice and take all steps necessary to minimize the cost of terminating or changing this Order. In

the event of a suspension, Supplier shall not resume until the suspension terminates as set forth in OPUCN's notice. If changes affect delivery or price, Supplier shall immediately notify OPUCN and propose an equitable adjustment to the price and/or schedule for performance as applicable. Except as otherwise agreed to in writing, OPUCN shall not be liable for any costs arising from such notice, including but not limited to loss of anticipated profits or loss of opportunity.

**8. Specifications.** Supplier shall comply with all specifications associated with this Order, including without limitation, the plans and specifications for the provision of goods and services, any document describing the scope of services to be performed by the Supplier, all functional, technical, operational, performance, quality and similar requirements, drawings, illustrations, equipment descriptions and other data relating to the goods and services to be provided by the Supplier to OPUCN.

**9. Inspection and Rejection** All goods and services shall be subject to inspection and testing by OPUCN at all times and places including the period of manufacture and in any event prior to final acceptance by OPUCN to assess work quality, conformance with Specifications, and conformance with all of Supplier's representations, warranties and covenants herein. No such verification shall relieve Supplier of its obligations and warranties hereunder. Goods and services shall not be deemed accepted until after such final inspection, occurring within a reasonable time after delivery. If any goods, services or parts thereof are found at any time to be defective in material or workmanship or otherwise not in conformity with the requirements set out herein, in addition to any other rights which it may have under applicable warranties, or under law, OPUCN shall have the right to reject and return such (at OPUCN's sole discretion), for either full credit or a refund at Supplier's expense including payment of shipping charges incurred by OPUCN. Without limiting the foregoing, OPUCN shall also have the right to require that Supplier promptly and at its own expense repair, replace or restore any defective or deficient portion of goods or services, to OPUCN's reasonable satisfaction. If Supplier is unwilling to or unable to effect prompt replacement, OPUCN may use its own facilities or contract with a third party at Supplier's expense. All returned goods or services shall be at Supplier's risk of damage or loss. Neither the failure of OPUCN to inspect, nor acceptance of, nor payment for any goods and services shall prejudice OPUCN's rights under this paragraph. Supplier's records relating to the manufacture or provision of goods and services shall be maintained for a minimum of seven (7) years following delivery unless otherwise agreed in writing by OPUCN.

**10. Warranty** Supplier warrants that all goods and services are (a) free from defects in design if the design is not provided by OPUCN, materials and workmanship for a minimum period of twelve (12) months from the date of acceptance by OPUCN; (b) conform with all Specifications attached or contained in the Order and all documentation and information provided by OPUCN for the goods and services; (c) be fit for their intended purpose; (d) be new, unused (unless otherwise specified in this Order) and merchantable; (e) be free from liens or encumbrances on title; and (f) to the extent the goods and services are, or contain hardware and/or software products, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing all times and dates) and are free of viruses and other sources of network corruption (collectively, for this Section, "Warranty"). Supplier shall replace goods that do not comply with the foregoing Warranty for a period of twelve (12) months from the date of acceptance by OPUCN ("Warranty Period"). To the extent Services are to be provided hereunder, Supplier warrants that all work rendered shall be careful and proper and in full compliance with Specifications and shall be in accordance with the best current practices in the industry and with the highest engineering or other applicable professional standards. The foregoing warranties shall survive any testing, inspection or acceptance by OPUCN of goods and services. The warranties set forth above shall not be subject to any disclaimer or exclusion of warranties or to any limitation of Supplier's liability herein. The warranty with respect to any corrected goods and services shall be subject to the same terms as the original warranty except that the warranty on any corrected or replaced goods and services shall be the longer of (i) one (1) year from the date of repair or replacement or (ii) until the end of the original warranty period. In addition to any other obligations set forth in this Section, Supplier shall pass through all assignable third party manufacturers' warranties applicable to goods and services furnished by Supplier. In the event a third party warranty is not assignable, Supplier shall enforce its warranty against a third party at Supplier's expense upon OPUCN's reasonable request. Supplier shall immediately notify OPUCN in writing of recalls or safety notices that concern the goods and services in this Order. OPUCN shall have the right to assign all Supplier warranties under this Order

to third parties including OPUCN's customers or end users, who shall have all rights to enforce such warranty. Supplier shall be liable for OPUCN's actual costs, expenses and damages related to or arising from goods and services not conforming to the warranty, including but not limited to systemic and incidental damages incurred by OPUCN.

11. **Compliance with Laws** Supplier represents that it has and shall continue during the performance of this order to comply with all applicable laws and regulations, including without limitation, international, federal, provincial, municipal and all local laws and codes. Supplier shall also adhere to applicable quality system standards and quality assurance requirements, privacy requirements, environmental standards and any additional technical codes, standards or norms which OPUCN may specify in writing.

12. **Patents and Copyright** Supplier warrants that OPUCN and its customers may freely use or otherwise deal with goods and services without infringement of patents, copyrights, trademarks, trade secrets or other intellectual property rights held by Supplier or any third party. Supplier agrees to indemnify and hold harmless OPUCN from any claim, action, cost or damage whatsoever arising from the alleged or actual infringement of any patent, trademark, copyright; industrial design or other intellectual property right resulting from the purchase and sale, use, or resale of goods and services. If the goods and services or any activity in connection therewith are held to be an infringement and their use is enjoined, Supplier shall promptly, at the option of OPUCN, secure for OPUCN the right to continue using or reselling goods and services; replace goods and services with non-infringing goods and services; procure OPUCN, its Representatives and/or end user's right to continue using the goods and services; modify goods and services such that they are no longer infringing; or, if unable to do any of the foregoing, remove the infringing goods and services and indemnify OPUCN for any direct or indirect losses, costs or damages resulting from such infringement.

13. **Electrical Product Approvals** As per Ontario Regulation 438/07, Supplier shall ensure all electrical products provided in this Order are certified and bear a certification marking by the Canadian Standards Association (or recognized equivalent) or a field evaluation label from a recognized testing agency, for use in the Province of Ontario, without cost to OPUCN. When neither are applicable, electrical products may be approved under Ontario Regulation 22/04 if conformance to an electrical standard is attested to by a professional engineer licensed in the province of Ontario, and type tests are provided.

14. **Customs** For shipments originated outside of Canada, Supplier is responsible for preparing Canada Customs invoices and other documents required by Canadian customs and other government agencies. Any cost incurred due to Supplier's delay or Supplier's failure to comply with Canadian customs or other governmental regulations shall be paid by the Supplier.

15. **Termination for Default** In the event Supplier (1) materially breaches this Order, or (2) becomes insolvent, ceases business as a going concern, becomes unable to pay its debts generally as they become due; has a petition for an order for relief under the bankruptcy/insolvency laws or for reorganization, composition, adjustment or other relief of debtors, makes an assignment for the benefit of creditors, has a receiver or liquidator appointed for such non-terminating Party or a court of competent jurisdiction orders the winding up or liquidation of the affairs of the non-terminating Party, OPUCN may, by written notice, terminate this Order with immediate effect without liability, except for deliveries previously delivered in accordance with the Order.

16. **Insurance** Supplier represents and warrants to OPUCN that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of similar goods and services provided hereunder, including (1) comprehensive commercial general liability insurance (including product liability) with a minimum coverage of \$5M in aggregate and \$2M per occurrence; automobile liability insurance with a minimum coverage of \$2M per occurrence; professional liability insurance with a minimum coverage of \$1M per occurrence; and workers compensation insurance as required by applicable laws.

Product Liability and Professional Liability insurance (or an approved equivalent by OPUCN) shall include any product deficiencies and errors and omissions that adversely impact or fail to ensure the privacy and security of

the goods and services provided, including without limitation, OPUCN's communication networks, information systems, industrial controls and data in accordance with Specifications, relevant industry standards, regulations, codes and industry best practice.

In addition, Supplier shall acquire and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by OPUCN from time to time. Supplier will promptly deliver to OPUCN, as and when requested, written proof of such insurance.

If requested, OPUCN shall be named as an additional insured under any insurance policy. Insurance policies cannot be cancelled, or materially changed so as to affect the minimum coverage provided under this Order without written authorization by OPUCN.

**17. Indemnification** Supplier shall indemnify, defend and hold harmless OPUCN, its affiliates and their representatives and assigns from and against any and all expenses, costs, claims, losses, actions, lawyer's fees, damages, duties, taxes, penalties or liabilities (including without limitation special and consequential damages, and including the costs of replacing or recalling OPUCN's equipment which may be damaged or rendered defective by materials furnished or work done in breach of warranties), or any amounts incurred by or which may become payable by OPUCN arising or resulting directly or indirectly out of any breach by Supplier of the Order; or for bodily injury, death, loss or damage to property which may arise or result, directly or indirectly, from the performance of this Order or any goods and services supplied hereunder.

**18. Conflict of Interest Declaration** Supplier agrees to declare any actual or potential Conflict of Interest relating to this Order. If no Conflict of Interest is declared, the Supplier is deemed to have had no Conflict of Interest in activities related to this Order or there is no foreseeable Conflict of Interest in performing the contractual obligations in this Order. The term "Conflict of Interest" means (1) in relation to the procurement process, the Supplier has an unfair advantage or engages in conduct, directly or indirectly, that may give it an unfair advantage or (2) in relation to the performance of its contractual obligations contemplated in the Order, the Supplier's other commitments, relationships or financial interest could, or could be seen to, exercise an improper influence over the objective, unbiased and impartial exercise of its independent judgement, or could, or could be seen to, compromise, impair or be incompatible with the effective performance of its contractual obligations of this Order.

**19. Force Majeure** Notwithstanding anything to the contrary in this Order, neither Party shall be liable for delay or non-performance caused by any of the following circumstances when beyond its control: acts of God, explosions, riots, extreme natural disasters, wars, sabotage or terrorism ("Force Majeure"). Should an event of Force Majeure make it impossible for a Party to perform its obligations hereunder, the affected Party shall try to reduce or mitigate the adverse impact of the event. The affected Party shall notify the other Party that it considers an event of Force Majeure has occurred. If the adverse impact cannot be eliminated completely, such non-performance shall be excused for the duration of the event of Force Majeure. If, however, the event of Force Majeure lasts more than fifteen (15) days from the original notification, this Order may be terminated in whole or in part by the non-affected Party.

**20. Confidentiality** Supplier shall treat all information disclosed by OPUCN in connection with this Order as confidential. "Confidential Information" shall include without limitation, all patents and patent applications, trade secrets, copyrighted information, intellectual property, the specific design application and use of Supplier's goods and services by OPUCN, price lists, forecasts, analyses, passwords, marketing, research and development, business plans and strategies, end-user customer or vendor information, data, materials, products, technology, computer programs, specifications, manuals, ideas, techniques, processes, know-how, inventions, models, drawings, algorithms, source code documents and other information disclosed or submitted, whether in writing, orally or by any other tangible media. Supplier shall not disclose or use OPUCN's Confidential Information other than to perform its obligations in this Order. Supplier shall be responsible for any breach of the confidentiality obligations hereunder by its affiliates or representatives. These confidentiality restrictions shall not apply to information which (1) is already in the possession of Supplier without any obligation of confidentiality (2) may be published or

become available within the public domain otherwise than as a consequence of a breach by Supplier of its obligation not to disclose any of the Confidential Information (3) is lawfully received by Supplier from any third party without restrictions on disclosure or use (4) is independently developed without any breach of the terms and conditions of this Order by Supplier's employees who have not had access to any Confidential Information; (5) is approved in writing by OPUCN for release or other use by Supplier according to terms stipulated in such approval; or (6) is required by the Supplier to be disclosed by law. In such circumstances as (6), Supplier shall notify OPUCN of such requirement so that OPUCN may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, and Supplier is legally compelled to disclose Confidential Information, Supplier agrees to only disclose Confidential Information that it is advised by opinion of counsel is legally required and to exercise reasonable efforts to obtain assurance that confidential treatment will be accorded such Confidential Information.

21. **Municipal Freedom of Information and Protection of Privacy Act ("MFIPPA")** Supplier is informed that OPUCN is subject to the Ontario Municipal Freedom of Information and Protection of Privacy Act. OPUCN shall use reasonable efforts to hold all information marked "Confidential" by the Supplier in strict confidence where required or permitted by law but shall not be liable for any action as contemplated by Section 49(2) of MFIPPA. If OPUCN's response to a request under the Act is appealed to the Information and Privacy Commissioner of Ontario, Supplier shall have the burden of proof per Section 42 of the Act. Supplier shall be responsible for all costs related to its confidentiality requirements.

22. **Survival** All rights, obligations, and duties hereunder, which by their nature or by their express terms extend beyond the expiration or termination of this Order or any other, including without limitation, Warranty, Indemnification and Confidentiality, shall survive the expiration or termination of this Order.

23. **Governing Law** This Order is to be construed and governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

## Shipping and Invoicing Instructions

1. Submit **ALL** invoices to **ap@opuc.on.ca** listing the following details, if applicable:
  - **OPUCN Purchase Order Number**
  - **OPUCN Job # or Charge Code (if listed on PO)**
  - **OPUCN Requestor**
2. If order cannot be filled as directed, contact OPUCN procurement department further instruction.
3. Ensure OPUCN Order and SKU numbers appear on all packages, shipping documents and invoices.
4. If order is delayed and/or the shipping date given cannot be met, please advise OPUCN procurement department immediately.
5. Invoices must be rendered as stated on OPUCN Purchase Order.
6. When shipment is made from outside of Canada, OPUCN requires customs invoices in triplicate. Invoices must show Number of Packages, Country of Origin, Fair Market Value, as sold for Home Consumption, at time shipped, and the selling price to Purchaser in Canada. These must be certified by the Consignor, in accordance with Canadian Customs regulations. Cash discount must not be deducted from the face of these Invoices. Customs Invoices must be mailed not later than the date of shipment.