

TERMS AND CONDITIONS CANADA - GOODS

Agreement. The commencement of work on or shipment of the goods or the commencement of services subject to this purchase order by Seller shall be deemed an effective mode of acceptance of this purchase order. Any acceptance of this purchase order is limited to acceptance of the express terms in the purchase order. Any proposal for additional or different terms or any attempt by Seller to vary in any degree any of the terms of this purchase order is hereby rejected. Such proposal shall not operate as a rejection of this purchase order unless it varies the description, quantity, price, or delivery schedule of the goods or services. If this purchase order is deemed an acceptance of a prior offer by Seller, it shall be limited to the express terms in this purchase order.

Termination. Purchaser reserves the right to terminate this purchase order or any portion of the goods or services purchased at its sole convenience. Following such termination Seller shall immediately stop all work and shall immediately cause any of its suppliers or subcontractors to cease work. Seller shall be paid a reasonable termination charge consisting of a percentage of the purchase order price reflecting the percentage of the work performed prior to the notice of termination, plus any actual direct costs resulting from such termination. Purchaser shall not pay for any work done after receipt of the notice of termination, nor for any costs incurred by Seller's suppliers or subcontractors which Seller could reasonably have avoided. Purchaser may also terminate this purchase order or any portion of the goods or services purchase ordered, without liability, if Seller defaults under or fails to comply with any of the purchase order terms and conditions. Without limitation, Seller's bankruptcy or insolvency, filing of a voluntary or involuntary bankruptcy petition, the appointment of a receiver or trustee, late deliveries, deliveries of goods or services which are defective or nonconforming, and failure to provide reasonable assurances of future performance shall each allow Purchaser to terminate this purchase order for cause. If termination occurs as a result of Seller's default or for cause, Purchaser shall not be liable to Seller for any amount, and Seller shall be liable to Purchaser for any and all damages sustained from the default which gave rise to the termination.

Proprietary Information/Confidentiality/Advertising. Seller shall consider all information furnished by Purchaser to be confidential and Seller shall not disclose any such information to any other person, or use such information for any purpose other than performing its obligations under this purchase order, unless Seller obtains written permission from Purchaser to do so. This provision shall apply without limitation to drawings, specifications, or other documents provided by Seller for Purchaser under this purchase order. Seller shall not advertise or publish the fact that Purchaser has contracted to purchase goods or services from Seller, nor shall any information relating to the purchase order be disclosed without Purchaser's written permission. Unless otherwise agreed in writing, no commercial, financial, or technical information disclosed in any manner or at any time by Seller to Purchaser shall be deemed secret or confidential. Seller shall have no rights against Purchaser with respect thereto except such rights as may exist under patent laws.

Patents. Seller, as part of consideration for this purchase order and without further cost to Purchaser, hereby grants and agrees to grant

Indemnification. Seller shall defend, indemnify, and hold harmless

Purchaser, and, to the extent requested by Purchaser to its customers, an irrevocable, nonexclusive royalty-free right and license to use, sell, manufacture, and cause to be manufactured products embodying any and all inventions and discoveries made, conceived, or actually reduced to practice in connection with the performance of this purchase order.

Warranty. Seller acknowledges that Purchaser is relying on Seller's skill and judgement in selecting and providing goods and services suitable for Purchaser's particular use and expressly warrants that all goods or services furnished under this purchase order shall (a) conform to all specifications and applicable standards (including, without limitation, government and trade standards); (b) be new (unless otherwise expressly stated in writing); (c) be free from latent or patent defects in material or workmanship; (d) conform to any statements made on the containers or labels or advertisements for such goods or services; (e) be adequately and correctly contained, packaged, marked, and labelled; (f) be merchantable, safe and appropriate for the purpose for which goods or services of that kind are normally used; (g) be fit for a particular purpose if Seller knows or has reason to know the particular purpose for which the goods and services will be used; (h) conform in all respects to any samples possessed by Seller; and (i) not violate any other person's patents, copyrights, trademarks or other intellectual properties. Seller further warrants that it has good and marketable title to the goods and Purchaser will own the goods free of any claims of any third person. Inspections, tests, acceptance, or use will not affect Seller's obligations under these warranties. All warranties shall survive inspections, tests, acceptance, and use. Seller's warranties shall run to Purchaser, its successors, assigns, customers, and users of goods or services sold by Purchaser. Seller agrees to replace or correct defects of any goods or services not conforming to warranty promptly, without expense to Purchaser, when notified of such nonconformity by Purchaser. If Seller fails to correct defects in or replace nonconforming goods or services promptly, Purchaser, after reasonable notice to Seller, may make such corrections or replace such goods and services and charge Seller for the cost.

Price Warranty. Seller warrants that the prices for the goods or services sold to Purchaser are not greater than those currently charged to any other customer for the same or similar goods or services in similar quantities. If Seller reduces its price for any article during the term of this purchase order, Seller shall correspondingly reduce its price to Purchaser. Seller warrants that prices shown on this purchase order are complete. No additional charges of any kind shall be added without Purchaser's written consent.

Taxes. All taxes, duties, tolls, fees, import charges and governmental exaction shall be separately stated on Seller's quotations and invoices and, unless so stated, shall be for the account of Seller.

Force Majeure. Neither party shall be liable for default or delays due to acts of God or public enemy, fires, floods, or accidents. Each party shall notify the other in writing of the cause of such delay within five days after the event occurs. If performance is delayed for one or more periods in excess of ninety (90) days, either party may terminate this purchase order.

Purchaser against all damages, claims, liabilities, penalties, fines,

costs and expenses (including legal fees on a solicitor and own client basis) arising out of or resulting in any way from any defect in the goods or services purchased, or from any act or omission of Seller, its agents, employees, or subcontractors, or from any breach or warranties or representations or other obligations of this agreement. This indemnification shall be in addition to the warranty obligations of Seller.

Changes. Purchaser shall have the right at any time to change drawings, designs, specifications, materials, packaging, time, and place of delivery and method of transportation for the goods or services provided. If any changes cause an increase or decrease in the cost or the time required for performance, an equitable adjustment shall be made and a written amendment to this purchase order completed.

Inspection/Testing. Payment for goods delivered or services provided shall not constitute acceptance. Purchaser shall have the right to inspect such goods or services and to reject any or all of the goods or services which are, in Purchaser's judgement, defective or nonconforming. Goods rejected and goods supplied in excess of specified quantities may be returned at Seller's expense and, in addition to Purchaser's other rights, Purchaser may charge Seller all expenses of unpacking, examining, repacking, and reshipping such goods. If Purchaser rejects any services provided, Purchaser, at its sole option, may require Seller to correctly perform the services or hire another person to perform the services at Seller's expense. If Purchaser receives goods with defects or nonconformities not apparent on examination, Purchaser may require replacement, as well as payment of damages. Nothing in this purchase order shall relieve Seller in any way from its obligations to provide conforming goods and services.

Entire Agreement. This purchase order and any documents referred to in it constitute the entire agreement between the parties. Any modification to this purchase order must be in writing and signed by both parties.

Assignment and Subcontracting. No part of this purchase order may be assigned or subcontracted without prior written approval of Purchaser.

Setoff. All claims for money due or to become due from Purchaser shall be subject to deduction or setoff by Purchaser for any claim arising out of this or any other transaction with Seller.

Shipment. If Seller must ship by a more expensive manner to comply with Purchaser's original delivery date any related increased transportation costs shall be paid by Seller unless the rerouting or expedited handling is caused by Purchaser's change of the delivery date. Seller shall be solely responsible for the shipment and delivery of "dangerous goods" as defined in the *Transportation of Dangerous Goods Act*, and Seller shall indemnify and save Purchaser harmless from any losses, damages or claims arising from the shipment of such goods.

Waiver and Remedies. Purchaser's failure to insist on performance of any terms or conditions or to exercise any right or privilege or Purchaser's waiver of any breach shall not be a subsequent waiver of any other terms, conditions, or privileges. All of Purchaser's rights and remedies under this purchase order shall be construed as cumulative and shall include all rights and remedies available under law and equity.

Delivery. Time is of the essence of this purchase order. If goods are not delivered or services not rendered by the time promised,

Purchaser may terminate this purchase order by notice effective when received by Seller as to items not yet shipped or services not yet rendered and to purchase substitute items or services and charge Seller with any loss incurred in addition to its other rights and remedies.

Title and risk. Notwithstanding any other provision of this purchase order, Seller shall assume and pay for any and all loss or damage to the goods from any cause whatsoever until Purchaser receives the goods at the point of ultimate destination. Irrespective of the foregoing, title to the goods shall pass from Seller to Purchaser when the goods are transferred at the point of origin to railcar, truck or other transportation facility.

Limitation on Purchaser's Liability--Statute of Limitations. Purchaser shall not be liable for anticipated profits or for incidental or consequential damages. Purchaser's liability on any claim of any kind for any loss or damage shall in no case exceed the price allocatable to the goods or services giving rise to the claim.

Purchaser shall not be liable for penalties of any description. Any action resulting from any breach by Purchaser must be commenced within one year after the cause of action arises.

Currency. All prices stated herein are in Canadian dollars unless otherwise specified.

Governing Law. This agreement shall be deemed to be made in the Province of British Columbia ("B.C.") and governed by and construed in accordance with the laws of B.C. Seller hereby attorns to the jurisdiction of the courts of B.C. over any and all disputes, claims and causes of action between Purchaser and Seller. The parties agree that the Convention for the International Sale of Goods shall not apply to this purchase order.

Compliance with Laws. In performance of the contract constituted hereunder and in every activity connected therewith, Seller shall comply fully with all applicable laws, ordinances, rules, regulations, codes, plant safety regulations, permits and standards, whether federal, provincial or local. Seller shall certify in writing such compliance at Purchaser's request.

Open Site. Seller acknowledges and agrees that a work site located on Purchaser's property may be an open site, meaning that contractors, subcontractors and suppliers working at, or supplying goods and services to or for such site may be union or non-union. Seller shall carry out its obligations at the site in a manner which ensures there are no labour problems, work stoppages or other labour disputes which might affect Purchaser and shall, if required or necessary, obtain written agreements with the unions representing its employees that non-affiliation rights in any collective agreement will not be exercised in connection with the provision of the goods and services.

Workers' Compensation. If Seller is to perform any services at Purchaser's property pursuant to this purchase order, Seller and its subcontractors shall at all times be registered and in good standing with the requirements of all applicable legislation governing workers' compensation. Seller shall certify in writing such compliance at Purchaser's request.

Health and Safety. Seller shall at all times comply strictly with all laws, ordinances, rules, regulations, codes and plant safety

requirements relating to employment standards, occupational health and safety, hazardous materials information systems, and protection of the public.

Builders' Lien. Subject to Seller's rights under the Builders Lien Act (British Columbia), Seller shall not register any claim of builders' lien against Purchaser's property without first giving Purchaser at least five business days' written notice of its intention to do so.

Unless the Seller demonstrates to the Purchaser's satisfaction that the Builders Lien Act (British Columbia) does not apply, all payments under this Agreement shall be subject to a 10% holdback under that Act. If required pursuant to that Act, the Seller shall establish a holdback account for the deposit of the holdback. The Seller shall be the payment certifier in respect of any of Seller's subcontractors and suppliers and shall indemnify Purchaser from all liability arising from premature certification. The Purchaser shall be the payment certifier in respect of this purchase order as a whole. If a lien is filed against the Purchaser's property by anyone engaged by or through the Seller as a result of the Seller or other person failing to pay their obligations, the Seller shall immediately discharge same, failing which the Purchaser may take all steps necessary to discharge same (including paying the Seller's or other person's obligations), and may charge that amount to the Seller's account and withhold that sum from any other monies due hereunder. The Seller shall indemnify the Purchaser for any loss, cost, liability or damages (including attorney's fees) suffered by the Purchaser in respect of any liens filed by Seller or any person engaged by or through Seller.

Special Tooling. (a) Designs, tools, jigs, dies, fixtures, templates, patterns, drawings (collectively, the "Tools") furnished by Purchaser and the Tools made or acquired by Seller specifically for the performance of Purchaser's purchase order shall remain or become the property of Purchaser. The Tools shall be used exclusively for production of goods specified in Purchaser's purchase orders.

(b) Purchaser shall not be obligated to reimburse Seller for the cost of any Tools unless specifically agreed to in writing by Purchaser.

(c) Reproducible drawings for the Tools to be made or acquired by Seller for Purchaser's purchase orders shall be submitted to Purchaser for approval or to the manufacturer for acquisition of such Tools.

(d) Seller will maintain the Tools referred to in subparagraph (a) above in first-class condition and will replace them when necessary. Seller will not make any alterations to the Tools without Purchaser's prior written authorization. Seller will be responsible for all loss or damage to such Tools while in Seller's possession. Upon completion or cancellation of this purchase order, such Tools shall be disposed of or delivered to Purchaser, as Purchaser shall direct.

(e) Tools for which Purchaser agrees to reimburse Seller shall be separately identified by Seller as directed by Purchaser. Payment for such Tools will not be made until Purchaser has received satisfactory evidence that the Tools have been completed and the first shipment of goods under this purchase order has been received and accepted.

Year 2000 Compliance. Seller warrants that all goods and services provided are Year 2000 compliant. "Year 2000 compliant" includes

that all computer controlled facility components accurately process date/time (including, but not limited to, calculating, comparing, and sequencing) from, into and between the years 1999 and 2000 and leap year calculations.

Conflict of Documents. If Purchase and Seller have entered into a contract under which the goods or services are to be provided, any conflict of terms shall be controlled by the contract.

Contacts with Regulatory Agencies. Seller shall notify Purchaser immediately of issues that need to be reported to regulatory agencies. Purchaser shall not take retaliatory action against Seller for reports made to regulatory agencies in good faith.

Certification Regarding Debarment. Any acceptance of this purchase order is based on the Seller's representation that it is not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency.

Severability. If any provision of this purchase order is held by any court of competent jurisdiction to be unreasonable, arbitrary, against public policy, or otherwise invalid or unenforceable, then such provision will be considered divisible or severable so that the court may reduce the scope thereof or otherwise amend or reform the provision in order to make it reasonable, not arbitrary, not against public policy, valid, and enforceable. Such reformation will apply only with respect to the operation of this purchase order in the particular jurisdiction in which such adjudication is made.

Press Releases. Neither party shall issue or publish any press release or similar public announcement with respect to this Agreement or the transactions contemplated without all parties' prior written consent; provided, however, that any party may issue or publish any such press release or public announcement if such action is required by law.