

FACIT Purchase Order Standard Terms and Conditions

If this Purchase Order (“PO”) is issued under a written agreement between the company to which it is addressed (the “Supplier”) and FACIT Inc. (“FACIT”) covering the product(s) or service(s) specified in this PO, it will be subject to that agreement and the terms of that agreement will override these terms in the event of any conflict or inconsistency. Otherwise, unless special terms and conditions are stated in its text, this PO and any attachments are the sole agreement between FACIT and Supplier with respect to the product(s) or service(s) specified in this PO.

1. ACCEPTANCE

This PO is an offer to purchase the product(s) and/or service(s) as set forth on the face of this PO. Any of the following acts by Supplier shall constitute acceptance of the terms of this PO: signing and returning a copy of this PO; delivery of any of the product(s) or service(s) ordered in this PO; commencement of performance; or written acknowledgment of the terms of this PO. Any terms proposed by Supplier that are additional or inconsistent with the terms of this PO will not be binding on FACIT unless FACIT accepts such terms in writing.

2. CHANGES

FACIT reserves the right, at any time prior to delivery of products or provision of services, to make changes to the PO including specifications, methods of shipment or packing, or place or time of delivery, and will do so by means of a revised PO. If any such change causes an increase or decrease in the cost or the time required for performance of Supplier’s obligations under this PO, an equitable adjustment shall be made in the contract price or delivery schedule, or both, or FACIT may, at its option, cancel this PO if agreement on an equitable adjustment cannot be made.

3. PRICE AND DELIVERY

Supplier shall furnish the product(s) and/or the service(s) covered by this PO in accordance with the prices and delivery schedule stated on the face of this PO. Prices shown do not include taxes but do include all customs duties, excise charges and other costs of delivery unless otherwise agreed in writing. Supplier warrants that the prices charged for the product(s) and/or service(s) ordered will be as low as the lowest prices charged by the Supplier to any employees purchasing similar product(s) and/or service(s) in the same or smaller quantities and under similar circumstances. If shipment is delayed for any cause, Supplier must report the same to FACIT promptly. Late delivery entitles FACIT to cancel the PO and decline receipt of any delayed portion.

4. PACKING AND SHIPPING

No charge shall be made by Supplier for packaging and/or storage. All products shall be packaged, marked, and otherwise prepared in accordance with good commercial practices to obtain the lowest shipping rates. On containers, Supplier shall mark handling and loading instructions, shipping information, order number, item and account number, shipment date, and the names and addresses of Supplier and FACIT. An itemized packing list shall accompany each shipment of products.

5. TITLE AND RISK OF LOSS

Title to the product(s) will pass to FACIT upon payment of the purchase price by FACIT. Risk of loss or damage to the product(s) will pass to FACIT upon FACIT's acceptance of the product(s) at the location for delivery specified on the face of this PO. All products shall be suitably packed, and Supplier will be liable to FACIT for any loss or damage which may occur prior to FACIT's receipt product(s).

6. INVOICING

After each shipment of product(s) is made and/or service is provided under this PO, Supplier shall send a separate invoice, citing the FACIT PO number and appropriate level of detail to facilitate payment. In the event that the Supplier does not provide an acceptable work order and/or packaging slip, FACIT shall withhold payment until such documentation is received. Payment of any invoice by FACIT shall not constitute acceptance of the product(s) and/or service(s) and shall be subject to appropriate adjustment for failure of Supplier to meet the requirements of this PO.

7. INSPECTION

- a. All products may be inspected and tested by FACIT, its employees, and contractors, at all reasonable times and places.
- b. No inspection (including source inspection), tests, approval (including design approval), or acceptance of the product(s) and/or service(s) shall relieve Supplier from responsibility for any shortfall in delivery or for any deficiencies or defects in the product(s) and/or service(s) or other failures that in FACIT's opinion do not conform with the requirements of this PO. If the product(s) and/or service(s) are not in conformity with the requirements of this PO, FACIT may, by written notice to Supplier: (i) rescind this PO as to such product(s) and/or service(s); (ii) accept such product(s) and/or service(s) at an equitable reduction in price; or (iii) reject such product(s) and/or service(s) and require the delivery of replacements. If Supplier fails to deliver required replacements promptly, FACIT may: (i) replace or correct such product(s) and/or service(s) and charge the Supplier the cost thereof (including any incidental costs); or (ii) terminate this PO in its entirety for cause.

8. WARRANTIES

Supplier warrants that product(s) shall be (a) free and clear of all liens and encumbrances; (b) free from any deficiencies or defects in design, material or workmanship (latent or otherwise) and of good and merchantable quality; (c) comply with all laws, regulations, and government agency requirements applicable to the product(s); (d) not infringe, or cause another product to infringe, any intellectual property right or any contractual right of any third party and (e) conform to FACIT's specifications and with representations previously made by Supplier and be fit for the use intended by FACIT. Warranties on all product(s) shall be for one year after the date of receipt by FACIT.

As to services, in addition to any express or implied warranties, Supplier warrants that it possesses the requisite expertise, facilities, and equipment necessary and appropriate to perform the services, and that such services shall be performed in a safe and workmanlike manner; that the services will comply with all laws, regulations, and government agency requirements applicable to the services; and that the services will not infringe on, or cause a product to infringe on, any intellectual property right or any contractual right of any third party.

If the services are found not to be performed as warranted within a period of one (1) year after the conclusion of the performance of the services by Supplier, Supplier shall, at FACIT's option, either refund to FACIT the amount paid for the services or perform the services again in a proper manner to the extent necessary to provide FACIT with the result originally contemplated by FACIT.

9. MATERIALS AND TOOLS

If FACIT furnishes Supplier material or equipment (such as special dies, molds, jigs, tools, test equipment, masks, etc.) or pays for such material or equipment, title thereto shall remain or vest in FACIT, and Supplier shall label, identify, maintain, and preserve such material and equipment and shall dispose of it (including scrap) only in accordance with FACIT's direction. Supplier shall use such material or equipment exclusively in the performance of POs for FACIT. Supplier shall be responsible for any loss, damage, or destruction to such material or equipment, but Supplier shall not include any insurance cost therefore in the prices charged under this PO.

10. PROPRIETARY INFORMATION

All information obtained by Supplier from FACIT and which is identified as proprietary or confidential by FACIT shall be received in trust and confidence and protected by Supplier using at least the same degree of care Supplier uses to protect its own confidential information, but in no event less than reasonable care. Such information shall remain the property of FACIT and shall be used and disclosed by Supplier only to the extent necessary for the performance of this PO.

11. SUBCONTRACTS

Supplier shall not subcontract for all or part of the deliverables specified in this PO without FACIT's prior written approval.

12. COMPLIANCE WITH LAWS

Supplier shall comply with all federal, provincial, and local laws, ordinances, rules, and regulations in the manufacture and sale of product(s) and in the performance of service(s).

Supplier shall provide to FACIT, at the time of initial shipment or request, a completed Material Safety Data Sheet (OSHA Form 20 or equivalent) for any chemical substances specified in this PO as required by any applicable federal, provincial or local law, ordinance, rule or regulation.

13. LIEN WAIVERS

Supplier shall furnish, upon FACIT's request, waivers by Supplier and all other persons entitled to assert any lien, encumbrance or moral rights in connection with the product(s) and/or service(s) of this PO.

14. PATENT, COPYRIGHTS, AND TRADEMARKS

Supplier warrants that the sale or use of product(s) and/or service(s) furnished hereunder will not infringe or contribute to infringement of any patent, copyright, trademark, trade secret or other proprietary right. Supplier shall defend, at its own expense, any suit or claim that may be instituted against FACIT or any employee of FACIT for alleged infringement of rights listed above.

FACIT shall have the right, at no additional charge, to use and/or reproduce Supplier's applicable literature, such as operating and maintenance manuals, technical publications, prints, drawings, training manuals, and other similar supporting documentation and sales literature. Supplier shall advise FACIT of any updated information relative to the foregoing literature and documentation with timely modifications in writing.

Supplier agrees to and hereby conveys and assigns to FACIT all right, title and interest in and to any and all product(s) and/or service(s) provided here under and shall ensure that it has executed the necessary agreements with all employees/contractors involved in providing the product(s) and/or service(s) to have same vest in and be owned by FACIT. Provider hereby waives any and all moral rights in and to the product(s) and/or service(s) provided to FACIT and shall execute any additional documents required to evidence or give effect to this Section. This Section survives the termination or expiry of the Agreement.

15. INDEMNIFICATION

Supplier shall indemnify FACIT against any and all costs, loss and liability for all personal injury and property damage caused by the product(s) and/or service(s) (whether performed on the premises of Supplier or FACIT or elsewhere), and shall defend, at its sole cost and expense, any action brought against FACIT as a result of any such personal injury or property damage. Supplier shall carry and maintain insurance coverage sufficient to cover the above, and, upon FACIT's request, shall furnish FACIT with satisfactory evidence of such insurance.

16. ASSIGNMENT

Supplier shall not assign this PO or any rights under this PO without the prior written consent of FACIT, and no purported assignment by Supplier shall be binding on FACIT without such written consent.

17. CESSATION OF PRODUCTION

If production of any product(s), or the provision of any service(s), is to be permanently discontinued at any time within one (1) year after final delivery of such product(s) and/or service(s) under this order, Supplier shall give FACIT at least one hundred eighty (180) days prior written notice of such discontinuance, during which time Supplier shall accept POs from FACIT for a reasonable quantity of such product(s) and/or service(s).

18. PUBLICITY

Supplier shall not make or authorize any news release, advertisement, or other disclosure relating to this PO or its product(s) and/or service(s) without the prior written consent of FACIT, except as may be required to fulfill this PO.

19. TERMINATION

- a. *Without Cause.* FACIT may terminate, for convenience, all or any part of this PO at any time prior to delivery of the relevant product(s) and/or service(s) by providing written notice to Supplier.
- b. *With Cause.* If Supplier fails to make delivery of the product(s) and/or service(s), in accordance with the delivery dates specified in this PO, or fails to perform any other provision of this PO, and does not cure such failure within ten (10) days after notice from FACIT, FACIT may (in addition to any other right or remedy provided by this PO or by law) terminate all or any part of this PO by written notice to Supplier without liability and purchase substitute product(s) and/or service(s) elsewhere. Supplier shall be liable to FACIT for any cost incurred by FACIT thereby. Supplier shall continue performance of this PO to the extent not terminated pursuant to this Section 19(b).

20. FORCE MAJEURE

Neither party shall be liable to the other for any damage as a result of any delay or failure to perform due to any act of God, embargo, pandemic or epidemic, governmental act, fire, accident, war, riot, or any other cause beyond its reasonable control.

21. WAIVER

FACIT's failure to insist upon the performance of any provision of this PO, or to exercise any right or privilege granted to the it under this PO, shall not be construed as waiving such provision or any other provision of this PO. If any provision of this PO is found to be illegal or otherwise unenforceable by any court or other judicial or administrative body, the other provisions of this PO shall not be affected thereby and shall remain in full force and effect.

22. GOVERNING LAW

This PO will be governed by and interpreted in accordance with the laws of the Province of Ontario and the parties attorn to the jurisdiction of Ontario courts.

23. DISPUTES

Any dispute arising under this PO which is not disposed of by agreement of the parties shall be decided by a court of competent jurisdiction. Pending settlement of final decision of any such dispute, Supplier shall proceed diligently with the performance of this PO in accordance with FACIT's direction.

24. COMPLETE AGREEMENT

This PO, and any schedules annexed hereto by FACIT, contains the complete and entire agreement between the parties as to the subject matter hereof, and replaces and supersedes any prior or contemporaneous communications, representations, or agreements, whether oral or written, with respect to such subject matter. Formal contracts or master agreements shall supersede this document.

25. CURRENCY

Any sums of money referred to in this Agreement refer to Canadian currency unless expressly agreed to by FACIT in writing.

26. RELATIONSHIP

Supplier and FACIT are independent contractors. Nothing in this Agreement constitutes Supplier and FACIT as partners or joint venturers. Supplier does not have the authority to bind FACIT.