

## Terms and Conditions of Purchase – Supply

In these Terms and Conditions of Purchase – Supply (hereafter “Conditions”), “Conviron” means Controlled Environments Limited and its subsidiaries, including but not limited to Controlled Environments Inc., and Argus Control Systems Ltd., or any of them individually. “Purchaser” means the company, firm, institution, individual or other entity with whom Conviron or its authorized distributor or reseller contracts.

By accepting this purchase order, the vendor agrees to the Terms and Conditions as set out below

### 1. The Contract:

The contract comprising this order and its acceptance is to be construed according to the laws of the Province of Manitoba, in Canada. This order is non-assignable by Seller. All documentation including packing slips must reference the Conviron purchase order number.

### 2. Delivery Schedule:

Deliveries are to be made both in quantities and at time specified in schedules furnished by Conviron. Conviron will have no liability for payment for material or items delivered to Conviron which are in excess of quantities specified in the delivery schedules, with the exception of a plus or minus of 5% on raw stock. Conviron may from time to time change delivery schedules or direct temporary suspension of scheduled shipments.

### 3. Warranty and Inspection:

Seller expressly warrants that all the material and work covered by this order will conform to the specifications, drawings, samples or other description furnished or specified by Conviron and will be marketable, of good material and workmanship and free from defect. Seller expressly warrants that all material covered by this order, which is the product of Seller or is in accordance with Seller's specifications, will be fit and sufficient for the purposes intended. Inspection by the Seller shall be carried out at the Seller's facility in accordance with the Seller's internal Quality Control System.

All material shall be received subject to Conviron's inspection and rejection. Defective material not in accordance with Conviron's specifications will be held for Seller's instruction at Seller's risk and if Seller so directs, will be returned at Seller's expense. No goods returned as defective shall be replaced without a new order and schedule. Payment for material on this order prior to inspection shall not constitute an acceptance thereof, nor will acceptance remove Seller's responsibility for latent defects.

### 4. Cancellation:

Conviron reserves the right to cancel all or any part of the work covered by this order if Seller does not make deliveries as specified in the schedules or so fails to make progress as to endanger performance of the work and does not correct such failure within 10 days after receipt of written

notice from Buyer specifying such failure, or if Seller breaches any of the terms hereof including the warranties of Seller.

#### **5. Specification Substitution or Change:**

The Seller will make no substitutions or changes without expressed permission from Conviron. Prior to making any tool modifications, the Seller must obtain approval from Conviron. Conviron reserves the right at any time to make changes in drawings and specifications as to any material and/or work covered by this order. Any difference in price or time for performance resulting from such changes shall be equitably adjusted and the contract and/or schedule shall be modified in writing accordingly.

#### **6. Conviron Property:**

Unless otherwise indicated in this order, all supplies, material, tools, jigs, dies, fixtures, patterns, equipment and other items furnished by Conviron, either directly or indirectly, to Seller to perform this order, or for which Seller has been reimbursed by Conviron, shall be and remain the property of Conviron. The Seller shall bear the risk of loss of and damage to such property, with the exception of normal wear and tear which is expected. Such property shall be insured by Seller with fire and extended insurance coverage for the replacement value; shall not be used by Seller for any purpose other than the performance of this order unless otherwise authorized in writing by Conviron, shall be deemed to be personal property, shall be conspicuously marked "Property of Conviron" by Seller, and shall not be moved from the Seller's premises without Conviron's prior written approval. Upon the request of Conviron, such property shall be immediately delivered to Conviron by Seller, either (1) F.O.B. cars or trucks at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Conviron to transport such property, or (2) to any location designated by Conviron, in which event Conviron shall pay to Seller the cost of delivering such property to such location.

Conviron shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

#### **7. Patents:**

By accepting this order, Seller agrees to defend and save harmless and indemnify Conviron, its successors and customers against all suits and from all damages and claims for actual or alleged infringement of, or inducement to infringe, any domestic or foreign patent by reason of the manufacture, use or sale of the material ordered, including infringement which may arise out of compliance with specifications furnished by Conviron.

#### **8. Technical Information Disclosed to Seller:**

Seller agrees not to disclose or share any proprietary information provided by Conviron to a third party without first obtaining the written consent from Conviron.

#### **9. Advertising and Brand Protection:**

Seller shall not, without first obtaining the written consent of Conviron, in any manner advertise or publish the fact that Seller has contracted to furnish Conviron the material herein ordered, and failure to observe this provision, Conviron shall have the right to terminate this order without any obligation to accept deliveries after the date of termination or make further payments except for completed articles delivered prior to termination.

#### **10. Insolvency:**

Conviron may forthwith cancel this order in the event of the happening of any of the following, or any other comparable event: Insolvency of the Seller, the filing of a voluntary assignment in bankruptcy, the filing of any petition to have Seller declared bankrupt provided it is not vacated within thirty (30) days from the date of such appointment, the execution by Seller of an assignment for the benefit of creditors.

#### **11. Buyer's Decision:**

Seller agrees that if the articles or materials covered by this order are to be manufactured to design furnished by Conviron, Seller will not, without the consent of Conviron, manufacture such articles or materials from said design for sale other than to Conviron.

#### **12. Country of Origin Identification:**

By acceptance of this purchase order, suppliers provide Country of Origin certification as required for United States -Mexico -Canada (USMC) agreement compliance.

Manitoba P.S.T. Exemption Number 257785-2, if so indicated.  
North Dakota Sales Tax Exemption Number 37111 00, if so indicated.