

PURCHASE ORDER TERMS AND CONDITIONS - SUPPLIER

1. Purchase Order

1.1. In these Terms and Conditions:

- 1.1.1 "Applicable Laws" means all laws, regulations, decrees, orders, codes, standards or other requirements of any level of government, or of any governmental agency, having jurisdiction over any aspect of the Project or the Supply, including without limitation all laws relating to employee health and safety, the environment or hazardous materials, business ethics, and privacy.
 - 1.1.2 "CIMS" means CIMS Limited Partnership, the issuer of this Purchase Order.
 - 1.1.3 "CIMS' Policies" means policies, procedures, specifications and other requirements adopted by CIMS from time to time in the ordinary course of its business.
 - 1.1.4 "Confidential Information" means any information provided by one party to the other that by its nature a reasonable person would in the ordinary course consider to be confidential including without limitation (a) this Purchase Order and all documents or other materials attached to or referred to in this Purchase Order, (b) information that has been provided directly or indirectly by the Owner, or (c) information that is marked as confidential, but excludes any information which, through no act or omission of the receiving party, is or becomes part of the public realm.
 - 1.1.5 "Force Majeure" means any event or circumstance not reasonably within the control of a party, which restrains or delays the performance by a party of its obligations under the Purchase Order, and which, by the exercise of due diligence and planning, the party was, or is, unable to prevent or overcome, but Force Majeure does not include strikes, lockouts or other industrial concerted action which may adversely impact the Work or the Supply, or lack of availability or shortage of labour, materials, equipment, transportation, or utilities, or climatic weather and subsurface conditions which the Supplier could reasonably have expected to occur within the geographic area where the Supply or the Work is to be performed, or insufficient funds or lack of money or credit or other economic hardship.
 - 1.1.6 "Hazardous Substance" means any substance, mixture of substances, product, waste, organism, pollutant, material, chemical, containment, dangerous good, constituent or other material which is or becomes listed, regulated or addressed under any Law or Owners' Policies including in respect of its use, manufacture, importation, handling, transportation, storage, disposal and treatment
 - 1.1.7 "Owner" means the owner of the Project, a contractor who has contracted directly or indirectly with the owner of the Project, or both as the circumstances require.
 - 1.1.8 "Owner's Policies" means policies, procedures, specifications and other requirements adopted by the Owner from time to time in the ordinary course of its business in respect of the administration or performance of any agreement to supply goods or materials, perform services and/or complete work.
 - 1.1.9 "Price" means the amount set out in the Purchase Order as being payable for the Supply.
 - 1.1.10 "Prime Contract" means the contract between CIMS and the Owner for the Work.
 - 1.1.11 "Project" means the project described in the Purchase Order and the Prime Contract.
 - 1.1.12 "Purchase Order" means the purchase order to which these "Terms and Conditions" are attached, and "this Purchase Order" means the Purchase Order together with these Terms and Conditions and any Special Conditions.
 - 1.1.13 "Schedule" means the schedule for supply, performance and/or completion of the Supply set out in the Purchase Order.
 - 1.1.14 "Site" means the site where the Project is located and includes any site owned, operated or controlled by the Owner at which CIMS has directed the Supplier to attend and/or to deliver to as necessary to perform the Supply.
 - 1.1.15 "Special Conditions" means any additional provisions forming part of and also attached to the Purchase Order. If there are any Special Conditions, reference is made to them in the Purchase Order.
 - 1.1.16 "Specifications" means the specifications set out in the Purchase Order.
 - 1.1.17 "Supplier" means the party named as Supplier in the Purchase Order.
 - 1.1.18 "Supply" means the supply of goods or materials, the performance of services and/or completion of the work set out in the Purchase Order and which is part of the Work.
 - 1.1.19 "Work" means the goods and materials to be supplied, the services to be performed and/or the work to be completed by CIMS in respect of the Project.
- 1.2. This Purchase Order is issued in consideration of and subject to the agreements, conditions, covenants, representations, terms, warranties and other provisions set out in this Purchase Order and acknowledged and agreed to by the Supplier by acceptance of the Purchase Order. There are no other agreements, conditions, covenants, representations, warranties or other terms, written or unwritten, except as set out or referred to in this Purchase Order. Without limitation, the parties agree that any and all provisions forming part of or attached to any Supplier's order confirmation, delivery confirmation, LEM, invoice or other document or instrument, whether delivered or made before or after this Purchase Order, are expressly excluded from, and do not form part of, this Purchase Order, and do not in any way amend, modify or supersede the provisions of this Purchase Order.

2. Supply

- 2.1. The Supplier shall be responsible for and supply all necessary management, facilities, plant, machinery, equipment, tools, supervision, labour, goods, materials, shop and as-built drawings, certifications and permits, as the case may be, and any other service or thing, required to complete the Supply and perform its obligations under this Purchase Order, including as may be reasonably necessary and/or customarily furnished in order to achieve the intended result set out in the Specifications. The Supplier confirms that it has undertaken any reviews and completed any due diligence required in order to determine the full nature and scope of the requirements of this Purchase Order, including as applicable consideration of the Site and any subsurface or other physical conditions. The Supplier also confirms that it has the resources necessary to complete the Supply and perform its obligations under this Purchase Order.
- 2.2. The Supplier shall diligently complete the Supply and perform its obligations under this Purchase Order: (a) using, as applicable, (i) only equipment, goods and materials fit for their intended purpose; (ii) quality and workmanship of the highest industry standards; and (iii) qualified personnel; (b) in strict accordance and conformity with the Specifications, all Applicable Laws, all applicable CIMS' Policies, and all applicable Owner's Policies; and (c) in accordance with the Schedule. If Specifications are attached to this Purchase Order, then the Supplier confirms receipt of the Specifications and that they are understood to be accurate and complete in all respects. Should the Supplier

believe there is any error, inconsistency or omission in or from the Specifications, the Supplier shall immediately advise CIMS and shall not undertake any further action in connection with the Supply until CIMS has clarified the Specifications. In addition, and without limitation to the foregoing, if applicable, the Supply: (d) shall be in strict accordance with the latest edition of ASME Section 11 and clearly display specification, grade, size, heat number and (for piping) mill marking; and (e) shall be accompanied by all material test reports, manufacturer's data reports, certificates of conformance, and like documentation. If applicable, the Supplier shall register with the appropriate safety authority the design of all pressure parts, fittings and valves. The Supplier shall at all times exercise good, sound and professional judgment and skill, and cooperate fully with CIMS, the Owner and other contractors in all matters including coordination of all work to complete the Project and ensure labour harmony.

- 2.3. The Supplier shall keep the Site free and clear of all debris and waste materials when performing the Supply and otherwise keep the Site and the Project location clean and tidy.
- 2.4. The Supplier shall not without prior written approval from CIMS use, store, transport, remove, dispose of or destroy any Hazardous Substances on Site.
- 2.5. The Supplier shall at all times conduct itself on the Site and at the Project location to as to avoid risk of loss, theft, or damage by vandalism, sabotage, or any other means of damage to goods or other property, including real property of the Supplier, CIMS, the Owner and any other third party at the Project location.
- 2.6. CIMS may, on written notice to the Supplier, deny any of the Supplier's personnel access to the Site or the Project location or require the Supplier to reassign, replace or remove any personnel from the Site or the Project. In the event of such requirement to reassign, replace or remove any personnel, the Supplier shall promptly replace that personnel at no cost to CIMS.
- 2.7. Title to each part of the Supply will transfer to CIMS (or the Owner if required by the Prime Contract) on the earlier of payment for such part, delivery of such part to the Project site, or incorporation of such part into any part of the Project off-site.
- 2.8. The Supplier warrants the Supply shall be in conformance with this Purchase Order and free from any defect or deficiency for a period of 12 months (or such longer period as may be set out in the Purchase Order) from the date the Owner accepts the Work in accordance with the Prime Contract. The Supplier shall promptly correct, remedy or replace any defect or deficiency in the Supply arising during such warranty period, and shall reimburse CIMS for all costs arising directly from such defect or deficiency (such as, but not limited to, removal, transportation and reinstallation costs). All warranties shall be assignable by CIMS to the Owner, and the Supplier shall provide such warranty documentation as is customary for like supplies and/or as is required pursuant to the Specifications.
- 2.9. CIMS may immediately suspend this Purchase Order if the Prime Contract or part thereof affecting the Supply is suspended by the Owner for any reason. In the event of any suspension, the Supplier shall cease the Supply immediately, excepting only any reasonable efforts to secure the Supply and to minimize costs.
- 2.10. CIMS may immediately terminate this Purchase Order if the Prime Contract or part thereof affecting the Supply is terminated by the Owner for any reason, or for convenience. Provided that the termination is not connected to or resulting from any default or failure of the Supplier to perform its obligations under this Purchase Order, the Supplier will be entitled to payment for the portion of the Supply completed to the date of termination, reasonable demobilization costs of equipment and personnel. In no case shall Supplier be entitled to any payment on account of its indirect costs of such termination or for loss of profit on the portion of the Supply terminated. In the event of any termination, the Supplier shall cease the Supply immediately, excepting only any reasonable mitigation efforts to minimize demobilization costs.
- 2.11. The Supplier shall keep and maintain at all times during completion of the Supply and the performance of its obligations under this Purchase Order, including during the warranty period: (a) comprehensive general liability insurance and product liability insurance on an occurrence basis in an amount of not less than \$5 million per occurrence in a form and with insurers acceptable to CIMS acting reasonably; (b) automobile liability insurance in an amount not less than \$5 million inclusive for any one occurrence if the Supplier's vehicles will be brought onto the Project or the Site; (c) workers compensation insurance in compliance with all Applicable Laws imposed by the jurisdiction in which the Supply and the Work are being performed; (d) property insurance on all materials, supplies, stock, tools and equipment that is in the care custody or control of the Supplier; and (e) such additional insurance as may be set out in the Purchase Order. Upon request, CIMS, the Owner, and their respective affiliates, partners, directors, officers, employees, independent contractors, agents and representatives, shall be added as additional insureds to such Supplier's general liability insurance, and the Supplier's general liability insurer shall waive all rights of subrogation against the same, with respect to the Supply. The Supplier's insurance shall be primary in respect of the Supply, and shall not be amended or cancelled except upon thirty (30) days written notice to CIMS. The Supplier shall provide proof of such insurance forthwith upon request. All premiums, deductibles and other amounts whatsoever payable in respect of such insurance shall be the sole expense and responsibility of the Supplier.
- 2.12. The Supplier shall keep and maintain proper accounting and other records of all plant, machinery, equipment, tools, supervision, labour, goods, materials, certifications, tests and test results, permits, and compliance with Applicable Laws, CIMS' Policies and Owner's Policies, as the case may be, and any other service or thing, supplied, performed, or completed in fulfilment of this Purchase Order (collectively, "Records") for seven (7) years after completion of the Project and expiry of any warranty period. CIMS shall have the right upon reasonable notice and during normal business hours to request proof of compliance with this provision and/or audit, review and copy such Records, but only to the extent necessary to confirm the Supplier has completed the Supply and performed its obligations under this Purchase Order in conformity with this Purchase Order and that all charges are in accordance with this Purchase Order. CIMS shall have the further right to authorize the Owner to undertake such audit and review.
- 2.13. The Supplier may not assign or subcontract all or any part of completion of the Supply or performance of its obligations under this Purchase Order without the written consent of CIMS.
- 2.14. The Supplier represents and warrants to CIMS, with the understanding that CIMS is representing and warranting to the Owner, that no aspect of completing the Supply or performing its obligations under this Purchase Order violates any intellectual property or other proprietary claims or rights of any person. The Supplier acknowledges and agrees that it does not claim or have any intellectual property or other proprietary rights in respect of any aspect of completing the Supply or performing its obligations under this Purchase Order. The Supplier shall indemnify and hold CIMS harmless from any claims for loss, damage, cost, expense, disbursement, penalty, fine, claim, demand, action, cause of action, proceeding, including proceedings for equitable relief, lien, encumbrance, statutory obligation, liability, suit, judgment, award, settlement, damages and costs (including legal fees on a solicitor and own client basis) resulting from the actual or alleged infringement or misappropriation of any rights under patents, trade secrets, copyright or other intellectual property rights or any litigation based thereon in respect of the performance of this Purchase Order.

3. Changes and Directives

- 3.1. CIMS may, without invalidating this Purchase Order, request changes to the Supply either directly, or, through a request from the Owner (both, a "**Change Request**"). On receipt of a Change Request, the Supplier shall, within three (3) business days or such other time as CIMS may request in writing, deliver an estimate for any adjustment to the Price or schedule for performance of the Supply that would result from such Change Request. The estimate shall include all information required to support the claim for such adjustment to the Price or schedule for performance of the Supply as well as any further information that CIMS may request. On acceptance of the estimate provided by the Supplier in response to a Change Request (as the same may be modified or negotiated), CIMS shall issue a change order detailing any change to the Supply, any change to the Price and any change to the schedule for performance of the Supply as applicable (a "**Change Order**").
- 3.2. CIMS may give directions for the performance of the Supply (a "**Directive**") which shall be complied with without adjustment to the Price or schedule for performance of the Supply.

4. Payments

- 4.1. CIMS shall pay to the Supplier the Price only after CIMS receives payment from the Owner for the Work pursuant to the terms of the Prime Contract. Any payments made to the Supplier under the terms of the Purchase Order shall also be subject to lien holdbacks in accordance with Applicable Laws. If any of the Supply is being performed on a time and materials work basis, daily tracking sheets must be delivered to CIMS prior to any payment being made. The Supplier acknowledges and agrees that it shall submit its rates for time and materials work for approval by the Owner prior to commencing any Supply under this Purchase Order. If CIMS disputes in good faith any invoice amount, then CIMS will deliver written notice of the disputed amounts within thirty (30) days of receipt of Supplier's invoice and specify the reasons therefore. Payment of the disputed items may be withheld by CIMS even after CIMS receives payment from the Owner until settlement of such dispute, though payment of undisputed portions will not be withheld after CIMS receives payment from the Owner for the portion of the Work for which the Supplier's invoice applies.
- 4.2. The Supplier will pay when due all amounts owing by it in connection with the Supply including without limitation all wages and benefits, all employment insurance or like premiums, all statutory deductions, all fees and taxes, and all invoices for goods, materials, equipment, and services.
- 4.3. If any lien or other encumbrance in respect of this Purchase Order is filed against the Project, the Site or any of the Owner's property or property interests (including leases), CIMS may immediately withhold payment of any sum that has become due to Supplier under paragraph 4.1 until after such time as the Supplier discharges or releases the lien or other encumbrance. Supplier shall provide a minimum of ten (10) business days-notice of any intent to file a lien or encumbrance in respect of the Project, the Site or any of the Owner's property. The Supplier shall, at its sole cost and expense and within five (5) business days after receipt of notice from CIMS, discharge or release or cause to be discharged or released all liens which are registered, filed, recorded or brought by any party and which are in any way related to the Supply or this Purchase Order.
- 4.4. If Supplier fails to comply with the requirements to discharge any lien, CIMS may remove the liens or other encumbrances and Supplier shall indemnify and hold CIMS harmless from any and all claims for loss, damage, cost, expense, (including legal fees on a solicitor and own client basis) incurred in connection with the removal or handling of the liens or other encumbrances. CIMS shall have the right to set-off or withhold from Supplier any sums required to remove the liens or other encumbrances from any amounts that become due to the Supplier pursuant to paragraph 4.1.
- 4.5. The Supplier's receipt and acceptance of the total Price (as may be adjusted pursuant to the terms of this Purchase Order) shall be a full and final waiver and release of any claim that it may have against CIMS or the Owner in connection with this Purchase Order, the Supply, or the Project.

5. Default and Property Damage

- 5.1. Should the Supplier be in default of any provision of this Purchase Order, and should such default continue for more than three (3) business days (or such shorter or longer period as CIMS may reasonably agree in writing in the circumstances) after CIMS has given written notice that such default must be remedied, then (without limitation to any other provision of this Purchase Order or any other right or remedy CIMS may have under this Purchase Order or in equity, at law or by statute) CIMS may withhold all further payments, upon written notice immediately terminate this Purchase Order, or itself remedy such default in such manner as it determines in its sole discretion (but in no case shall CIMS be under any obligation to remedy such default) and charge back to the Supplier all reasonable costs and expenses it incurs.
- 5.2. When performing its obligations under this Purchase Order, the Supplier shall ensure that all steps are taken to protect the Work and the Owner's property, and adjacent property to the Site, from any damage which may arise as a result of the Supply and the operations of the Supplier. Supplier shall promptly correct any damage it causes to the Work or to the Owner's property and adjacent property and shall indemnify and hold harmless CIMS for any and all cost associated with any damage to the Work and the Owner's property and adjacent property.

6. Dispute Resolution

- 6.1. All disputes arising under or in relation to the Purchase Order will first be referred to the parties respective senior management team for resolution. If, after thirty (30) days or a shorter period as the parties, acting reasonably, determine is necessary in the circumstances, resolution is not reached by mutual agreement: (a) a party may submit the dispute to arbitration (pursuant to the terms herein); or, (b) if both parties agree in writing, then a party may commence litigation in a court of competent jurisdiction with respect to the dispute within the limitation periods prescribed by Applicable Law.
- 6.2. The parties consent to any arbitration or litigation being conducted in Vancouver, B.C. and being administered by the Vancouver International Arbitration Centre and the arbitrator will conduct the arbitration in accordance with the rules as the parties may agree, or failing agreement, the rules determined by the arbitrator.
- 6.3. The Supplier agrees that CIMS may unilaterally elect to join the Supplier to any dispute resolution process or arbitration commenced in connection with a dispute between CIMS and the Owner.

7. General

- 7.1. The Supplier is for all purposes an independent contractor. No provision of this Purchase Order shall create or be construed or deemed to create any partnership or joint venture between the parties, or make either party the agent or representative of the other party. Neither party shall at any time act as or hold itself out to be the agent or representative of the other party unless expressly authorized in writing.
- 7.2. No provision of this Purchase Order creates, or shall be construed or deemed to create, any contractual relationship directly between the Owner and the Supplier.
- 7.3. This Purchase Order may not be assigned by either party without the written consent of the other party, except that CIMS may assign this Purchase Order to a purchaser of all or substantially all of its assets, and CIMS may assign this Purchase Order to the Owner. In the event of any such assignment, CIMS shall immediately provide written notice to the Supplier. On such assignment, CIMS shall be released from and have no further obligations under this Purchase Order, except for payment to the Supplier for the Supply performed up to the date of assignment and subject to paragraph 3.1.
- 7.4. Each party shall protect and keep strictly confidential and not disclose in any manner the Confidential Information of the other party, except that it can disclose Confidential Information (including providing copies) as reasonably necessary to perform its obligations under the Purchase Order (provided any receiving person acknowledges and agrees in writing to this confidentiality provision and provided the Supplier shall be liable for any disclosure by any such person contrary to this provision as if such disclosure had been made by the Supplier itself) or as required by law.
- 7.5. Supplier shall not erect any sign or advertising, or use any of the Owner's trademarks, logos or device in any sign or advertisement or issue any statement, photograph, testimonial, or other document of any kind to any third party regarding the existence of the Project or this Purchase Order without CIMS' prior written consent, which consent may be arbitrarily withheld.
- 7.6. The Supplier, and their sub-contractors or sub-suppliers will not use forced labour or child labour, as those terms are defined in the *Fighting Against Forced Labour and Child Labour in Supply Chains Act*, as may be amended or restated from time to time, in the manufacture of products or goods required by the Purchase Order and in the procurement of the materials and parts incorporated into any products or goods required by the Purchase Order.
- 7.7. Supplier shall not engage or participate in any news information gathering, news releases or media interviews with any news agency or media, including online and social media, during or following any incident at the Site, unless and until CIMS or the Owner provides written confirmation that such engagement and participation may be made.
- 7.8. In the event of Force Majeure the affected party shall immediately notify the other party of the nature of the Force Majeure, how long it is expected to continue, and its expected impact on completion of the Supply and/or performance by such party of its obligations under this Purchase Order. On receipt of such notice, the party's affected obligations shall be suspended during the period of time and to the extent that the event of Force Majeure continues, and provided that the party shall undertake all commercially reasonable efforts to mitigate the effects of such Force Majeure. A party shall not be entitled to the benefit of this Force Majeure provision if the failure to complete the Supply or perform its obligations was caused by that party's failure to act in a reasonable and prudent manner in the circumstances or that party's failure to remedy the condition and resume the performance of the obligation within a reasonable time, to be mutually agreed by the parties. The Supplier shall only receive an adjustment to Price for an event of Force Majeure if the Owner agrees to an adjustment to Price in the Prime Contract arising from the same event of Force Majeure. In addition, and as reasonably necessary, CIMS may terminate this Purchase Order, in the event of Force Majeure in which case CIMS will pay the Supplier in accordance with paragraph 2.10.
- 7.9. Each party shall indemnify and hold harmless the other party (and its affiliates, partners, directors, officers, employees, independent contractors, agents and representatives) from and against all actions, claims, direct costs, damages, demands, expenses, or losses of whatsoever kind it may incur, sustain or be put to, to the extent arising from a default under this Purchase Order, any breach of any Applicable Law, CIMS' Policy or Owner's Policy, or any negligent act or omission or any willful misconduct by it or any of its affiliates, partners, directors, officers, employees, independent contractors, contractors, subcontractors, agents or representatives, or any person or entity for whom it or any of them is responsible in law. Except for claims advanced by third parties, neither party shall be responsible to the other party for any punitive or consequential damages including damages for loss of profits, revenue, business, reputation, financing or loss of opportunity.
- 7.10. Any waiver by either party of any provision of this Purchase Order, or any other right or remedy, must be in writing, and shall not be construed or deemed to be a waiver of any other provision this Purchase Order or any other right or remedy, or of any subsequent default.
- 7.11. Each party shall undertake or execute and deliver all such further acts, assurances, documents or other items as are reasonably necessary to implement this Purchase Order, including without limitation certificates of compliance with Applicable Laws, CIMS' Policies or Owner's Policies or that CIMS is required to provide pursuant to the Prime Contract.
- 7.12. Any notice required to be given by a party under this Purchase Order shall be in writing and delivered or mailed postage prepaid to the contact information of the other party set out in the Purchase Order (with a copy by email if an email address is set out in the Purchase Order). A delivered copy shall be deemed to be received on the day of delivery, if during normal business hours or otherwise on the next following business day. A mailed copy shall be deemed to be received on the fifth day following the date of mailing, unless there is during such delivery period a mail strike or slow-down, in which case delivery shall be when such copy is actually received.
- 7.13. This Purchase Order may only be amended, modified or superseded by an instrument in writing signed by duly authorized representatives of the parties.
- 7.14. This Purchase Order shall be governed by and construed in accordance with the laws of the jurisdiction in which the Project is located without reference to its governing law principles, and the parties irrevocably agree to attorn to the courts of such jurisdiction.
- 7.15. This Purchase Order shall enure to the benefit of and be binding upon the successors and permitted assigns of the parties.