

**PV LABS INC. (the “Buyer”)**

**PURCHASE ORDER**

When you receive a Purchase Order, you should review it for accuracy. Most of the items appearing on the form are in defined blocks and are self-explanatory. Your attention is called to the following areas due to their importance:

- A. **Purchase Order Number:** The Purchase Order Number must appear on all correspondence relating to this order, including any shipping documentation, such as the commercial/proforma invoice, packing list, bill of lading or other required documentation accompanying any shipment to the Buyer or its customer.
  
- B. **Supplier Commit Date:** This is the contractual date of delivery for items purchased under this order. If, for any reason, you cannot meet this date, you must notify the Buyer immediately. Unless otherwise agreed by Buyer in writing, Paragraph 4 of the Terms and Conditions shall apply. Payment for deliveries made prior to this date will not be made until the date specified on the Purchase Order, unless a formal written amendment authorizing early shipment is issued by the Buyer.
  
- C. **Purchase Order Acknowledgement:** Buyer may send the Purchase Order to you by fax, mail, e-mail or other electronic means. Supplier must acknowledge receipt of the Purchase Order within 2 days after receipt, by signing the Purchase Order and returning it to the Buyer.

**This Purchase Order includes the following Terms and Conditions:**

- 1. **Entire Agreement.** This purchase order, together with any data referenced in paragraph 3 of this purchase order, constitutes the entire agreement between Buyer and Seller with respect to the purchase and sale of the goods and services (collectively the “Deliverables”) described in this purchase order, and supersedes all prior agreements, negotiations, understandings and communications made by and between Buyer and Seller.
  
- 2. **Acceptance of Terms and Conditions.** This purchase order constitutes Buyer’s offer to Seller and shall become a binding contract upon the terms and conditions stated in this purchase order upon acceptance by Seller by any expression of acceptance, or commencement of performance, whichever occurs first. Any terms and conditions proposed by Seller in acknowledging or accepting Buyer’s offer which are different from or in addition to the terms set forth in this purchase order shall not be binding upon Buyer and shall be void and of no effect, except to the extent expressly accepted in writing by Buyer’s authorized procurement representative(s).
  
- 3. **Data.** Seller acknowledges that it has in its possession all applicable specifications, drawings and documents (including, without limitation, statements of work) necessary to perform its obligations under this purchase order at the

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- price and schedule stated on this purchase order or its attachments. All such data shall be deemed to be a part of this purchase order.
4. **Delivery.** The price of all Deliverables shall be FCA-Seller's Premises, as per Incoterms 2000, unless specified otherwise in this purchase order. Time shall be of the essence for purposes of this purchase order. Delivery or performance of the Deliverables must be completed within the time limits specified in this purchase order. Delivery shall be deemed to be complete only when the Deliverables have been actually received at the location specified in this purchase order. If delivery or performance is not completed on a timely basis, Buyer may refuse any or all of the Deliverables and cancel all or any part of this contract.
  5. **Packing and Shipment.** Deliveries shall be made as specified in this purchase order without charge for packaging or storage unless otherwise agreed in writing by Buyer. Deliverables shall be suitably packed to secure the lowest transportation costs and in accordance with the carriers' requirements. Seller's shipping documentation (packing list, invoice, airway bill, bill of lading, etc.) must contain the following information at a minimum: (a) date of shipment for the items covered in this purchase order; (b) quantity shipped for each shipment; (c) if applicable, quantity-to-date and cumulative quantity of items shipped under this purchase order; (d) the initials of the responsible person who prepares and confirms the shipment on behalf of Seller; (e) purchase order number and line item number for this particular shipment; (f) any markings required by applicable export control regulations, including exceptions, exemptions, destination control statements and license numbers. Seller shall use the carrier(s) selected by Buyer if Buyer so requests. Buyer's count or weight shall be conclusive. Seller shall not ship in advance of schedule or make partial shipment unless otherwise agreed in writing by Buyer. Risk of loss or damage shall be remain with Seller until delivery of the Deliverables at the location specified on this purchase order and acceptance by Seller in accordance with paragraph 6 of this purchase order.
  6. **Acceptance.** Buyer shall have the right to inspect and test the Deliverables and reject any nonconforming Deliverables. The Deliverables shall be deemed to be accepted unless Buyer notifies Seller in writing that the Deliverables do not conform to all specifications and warranties in this purchase order after the completion of Seller's inspection and testing. Payment for Deliverables shall not constitute acceptance. In addition to any other remedies under law, Buyer shall have the right to reject and refuse acceptance, require prompt correction or cure, or accept any nonconforming Deliverables with an equitable adjustment in price. Buyer may return nonconforming Deliverables to Seller at Seller's risk and expense, including transportation and handling costs. The right to test and inspect, whether exercised or not, shall not affect Buyer's right to revoke acceptance or pursue other remedies if nonconformities are later discovered even in the nonconformity could have been discovered upon testing or inspection. Acceptance shall not relieve Seller from its responsibility under any warranty. The risk of loss or damage shall remain with Seller until acceptance. Acceptance

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- by Buyer includes receipt of any supplier certification or other paperwork required by this purchase order.
7. **Program Management.** Seller agrees to direct full management support and attention toward this purchase order to ensure timely delivery of production articles at a reasonable cost and the fulfillment of all requirements of this purchase order. Seller further agrees to maintain total program visibility at all times and to promptly initiate management level action for the correction of any and all problems relating to this purchase order. Seller will manage and control this purchase order with its Basic Executive and Functional Line Organizations. Said line organizations will be staffed by competent and qualified personnel with clearly defined and understood responsibilities, authority and lines of communication. Configuration Control Management will be the responsibility of Buyer. Seller's Quality Control Department will be responsible for monitoring Seller's Configuration Control from engineering release to end items. Change Control Management, as between Buyer and Seller, and Internal Change Control in Seller's plant, shall be the responsibility of Seller.
  8. **Taxes and Duties.** The prices stated in this purchase order include all customs duties, tariffs and all federal, provincial, state and local taxes (including all import taxes, excise taxes and sales taxes) applicable to the manufacture, sale or provision of the Deliverables.
  9. **Payment and Prices.** Unless different payment terms are expressly stated on this purchase order, payment terms shall be forty-five (45) days from Buyer's receipt of Seller's correctly presented invoice. A "correctly presented" invoice will contain this purchase order number sent to the billing address on this purchase order. Seller represents that prices quoted to or paid by Buyer shall not exceed current prices charged to any other customer of Seller for deliverables which are the same or substantially similar to, and in the same or substantially similar quantities as the Deliverables.
  10. **Set-off.** Buyer shall be entitled at all times to set off any amount owing at any time from Seller to Buyer (or any of Buyer's affiliates and subsidiaries) against any amount payable at any time by Buyer (or any of its affiliates and subsidiaries) to Seller.
  11. **Changes.** Buyer shall have the right by written notice to change the terms of this purchase order, the drawings, specifications or other descriptions, the time, method or place of delivery or the method of shipment or packaging or to suspend delivery of the Deliverables. Upon receipt of such notice, Seller shall proceed promptly to make such changes. If any such change causes a change in the cost of the Deliverables or in the time required for performance, Seller shall provide prompt notice to Buyer of any such change and an equitable adjustment shall be negotiated promptly and this purchase order shall be modified in writing accordingly.

12. **Warranties.** In addition to all other express and implied warranties, Seller expressly warrants that all Deliverables shall: (a) be free from all liens, charges, encumbrances or claims of any person; (b) be of merchantable quality, of good material and workmanship, and free from defects in design, materials and workmanship for a period that begins on the date of delivery and expires on the later of (i) the first (1<sup>st</sup>) anniversary of the date of acceptance, and (ii) the expiration of Seller's warranty period; (c) be performed in a professional and workmanlike manner if the Deliverables include services; (d) be fit for the purposes for which goods of that type are ordinarily used as well as for any purposes Seller has made known to the public or to Buyer or that Buyer has made known to Seller; (e) conform to all specifications and descriptions incorporated into this purchase order and any samples supplied by Seller to Buyer; and (f) be produced and performed in compliance with and conform in all respect to all applicable laws, regulations, standards, rules and orders of all applicable federal, provincial, state and local governmental authorities, whether domestic or foreign, including without limitation, those governing safety, health, labor, hazardous substances and sanitation. If the Deliverables are defective in any way or fail to conform in all respect to the warranties of this purchase order, Buyer may, at its option, return at Seller's expense, the defective or nonconforming Deliverables for credit, refund or set-off, or require Seller to correct or replace, at no cost to Buyer, any defective or nonconforming Deliverables, including without limitation, re-perform any Deliverables that are services. Return shipping to Buyer of corrected or replacement Deliverables shall be at Seller's expense. Deliverables required to be corrected or replaced (including without limitation, the re-performance of Deliverables that are services) shall be subject to the provisions of this purchase order in the same manner and to the same extent as Deliverables originally delivered under this purchase order. Seller's warranties shall run to Buyer, its affiliates, subsidiaries, customers or users of the Deliverables and shall not be deemed to be exclusive of any other remedy at law or in equity available to Buyer, its affiliates, subsidiaries, customers or users of the Deliverables. Buyer's inspection, approval, acceptance, use of or payment for all or any part of the Deliverables shall in no way affect its warranty rights. Seller shall, at its expense, indemnify, defend and hold harmless Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users, from any and all loss, damages or liability (including without limitation, reasonable legal fees and costs) arising out of or resulting from any defect in the Deliverables, or from any act or omission of Seller, its agents or employees in connection with the Deliverables. This indemnification shall be in addition to Seller's warranty obligations.
13. **Title. (i) Tooling:** Title to and the right of immediate possession of all articles, tooling, equipment, software or materials (collectively "Tooling") furnished to Seller or paid for by Buyer directly or indirectly for use by Seller in connection with this purchase order shall be and remain in Buyer. Seller shall be (a) responsible on a replacement cost basis for all loss or damage to such Tooling

while in its possession and insure its risk in this respect with adequate all risk property insurance; (b) clearly mark the same as belonging to Buyer, keep it segregated in Seller's facility and treat it confidentially as provided in this purchase order; (c) keep the same in good operating condition; and (d) use the same exclusively in connection with the delivery of the Deliverables for this purchase order and not for any other purpose. Upon completion of this purchase order, all Tooling furnished to Seller or paid for by Buyer shall be returned to Buyer or disposed of by Seller at Seller's expense as Buyer directs in writing. **(ii) Deliverables:** All Deliverables shall be the sole and exclusive property of Buyer and, where applicable, shall be considered "works made for hire" under applicable Copyright legislation, and all intellectual property, proprietary and industrial rights associated with the Deliverables shall be owned exclusively by Buyer. By this purchase order, Seller assigns to Buyer, for no additional consideration, all such rights to the Deliverables, including the right to any extensions and renewals of such rights. If requested by Buyer, Seller shall, without additional consideration, sign a separate written assignment of such rights to Buyer or any other document necessary for Buyer to establish, maintain or enforce such rights in the Deliverables.

14. **Intellectual Property.** (a) Background Intellectual Property. All information (regardless of form or format and including, without limitation, designs, processes, drawings, specifications, reports, data (including CAD/CAM data), trade secrets, software and know-how) and all inventions, whether patentable or not (hereinafter collectively "Intellectual Property"), created, developed, owned, controlled or made by Buyer or Seller or Seller's suppliers prior to the effective date of this purchase order or outside the scope of this purchase order (collectively "Background Intellectual Property), and all intellectual property rights in and to the foregoing, shall remain the property of Buyer, Seller or Seller's suppliers, as the case may be. (b) Foreground Intellectual Property. All Intellectual Property created, developed or made in connection with this purchase order (collectively "Foreground Intellectual Property") by Buyer or Seller or Seller's suppliers shall be owned exclusively by Buyer. Seller shall disclose to Buyer any and all Foreground Intellectual Property created, developed or made by Seller, and Seller agrees to assign, and does hereby assign, to Buyer, all rights, title and interest in and to such Foreground Intellectual Property, at no additional cost to Buyer. All Foreground Intellectual Property shall be the exclusive proprietary and confidential information of Buyer. Seller shall execute, or have executed, all papers, documents and other instruments necessary to secure the foregoing rights for Buyer. (c) Licenses. No rights or licenses are granted to Buyer or Seller or any other person, either expressly or impliedly, to any Intellectual Property or any rights therein, other than the rights and licenses set forth in this purchase order. Buyer grants to Seller a royalty free, non-exclusive, revocable license (with no right to grant sub-licenses) to use the Foreground Intellectual Property, but only for the limited purpose of supplying Deliverables to Buyer under this purchase order. Seller grants to Buyer a worldwide, royalty free, non-exclusive and irrevocable license (including the right to grant sub-licenses) to

use and have used any Background Intellectual Property which is: (i) necessary for Buyer to use the Foreground Intellectual Property, and (ii) to make, have made, use and sell the Deliverables, provided such license will only be exercised upon (i) termination of this purchase order, in whole or in part, or (ii) Seller's inability or refusal, for any reason, to supply the Deliverables under the terms of this purchase order. (d) Patent Rights. If this purchase order is for the supply of experimental, developmental or research work, all inventions, discoveries and improvements conceived and/or reduced to practice in the development of the subject matter of this purchase order shall become the exclusive property of Buyer.

15. **Indemnity.** (i) **Intellectual Property and Proprietary Rights**: Seller shall, at its expense, indemnify, defend and hold harmless Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users, from any and all loss, damages or liability (including, without limitation, reasonable legal fees and costs) for or on account of, or resulting from, any claim of infringement of any existing or future copyrights, patents or trade-marks, misappropriation of any trade secrets, or violation of any other intellectual, proprietary or industrial rights, with respect to any of the Deliverables. The fact that Buyer furnishes specifications to Seller with respect to any of the Deliverables shall neither relieve the Seller from its obligations under this purchase order nor limit Seller's liability in connection with the Deliverables, nor constitute an undertaking by Buyer to hold Seller harmless against any such claim which arises out of compliance with the specifications. (ii) **Personal Injury and Property Damage**: Seller agrees, at its expense, to indemnify, defend and hold harmless Buyer, its directors, officers, employees, affiliates, subsidiaries, customers and users from any and all loss, claims and liability (including, without limitation, reasonable legal fees and costs) for death, injury or disability of any person or damage to or destruction of property (including, without limitation, the loss of use of any property or the presence of hazardous substances at any property) caused by or resulting from the acts or omissions of Seller, its agents, suppliers or employees in connection with the performance of this purchase order.
16. **Insurance.** Seller shall obtain, at Seller's expense, and keep in effect during the term of this purchase order, commercial general liability insurance (including personal injury and contractual liability) with a liability limit of not less than two million Canadian dollars (CAD \$2,000,000) each occurrence and four million Canadian dollars (CAD \$4,000,000) aggregate. If this contract involves the render of services, Seller shall also obtain and keep in effect (a) workers' compensation insurance with statutory limits, (b) employer's liability insurance with a liability limit of at least one million Canadian dollars (CAD \$1,000,000) and (c) automobile liability insurance (including owned, non-owned and hired vehicles) with a liability limit of at least one million Canadian dollars (CAD \$1,000,000). If Seller is providing professional services to Buyer, Seller shall maintain Professional Liability/Errors and Omissions insurance with a liability limit of at least one million Canadian dollars (CAD \$1,000,000). All insurance

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policies shall be placed with reputable insurance companies reasonably acceptable to Buyer and shall name Buyer, its directors, officers, employees and agents as additional insureds covering activities performed under this purchase order. All such policies shall provide that coverage may not be materially changed, cancelled or non-renewed without thirty (30) days prior written notice to Buyer. The insurance requirements set forth in this purchase order are not intended and shall not be construed to modify, limit or reduce the indemnifications made in this purchase order by Seller to Buyer or to limit Seller's liability under this purchase order to the limits of the policies required to be maintained by Seller under this purchase order or in any other manner. Seller shall furnish Buyer with certificates of insurance for the coverages required under this purchase order prior to performance under this purchase order. Such insurance shall be primary to, not contributory with, and not in excess of, coverage which Buyer may carry. Seller's insurance shall contain a severability of interest provision. The insurance afforded by these policies applies separately to each insured against whom claim is made or suit is brought, in the same manner as such insured would be covered if the policy insured only such party. The inclusion of such additional insureds shall not crease the policy limits.

17. **Inspection.** The Deliverables may be inspected and/or tested by Buyer at any time, place and stage of production or distribution, and if at Seller's premises, Seller shall, without additional charge, provide all reasonable facilities and assistance required for safe and convenient inspection and testing. The foregoing shall not relieve Seller of its obligation to permit Buyer full and adequate inspection and testing away from Seller's premises. Buyer may base rejection of any or all Deliverables
18. **Compliance with Laws.** Each party shall comply with all applicable laws, including without limitation, government export regulations and controls, and privacy and data protection laws.
19. **Hazardous Materials.** Prior to shipment or transfer of any hazardous materials, Seller shall provide Buyer with a complete and up-to-date Material Safety Data Sheet and shall properly mark such hazardous materials with a label satisfying the requirements of the applicable legislation. Any shipment or transfer by Seller of any hazardous materials shall be made in accordance with the requirements of the applicable legislation.
20. **Confidentiality. (i) Confidential Information:** Seller shall not disclose to any third party or use any confidential information of Buyer concerning this purchase order, the Deliverables or other material intended for use in connection with this purchase order without the prior written consent of Buyer. Any knowledge or information which Seller may disclose to Buyer in connection with the purchase of any of the Deliverables shall not, unless Buyer otherwise specifically agrees in writing, be deemed to be confidential information and shall be acquired free from any restriction as part of the consideration for this purchase order. For purposes

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- of this paragraph, any Personal Data supplied or provided by Buyer shall be deemed to be confidential information of Buyer and Seller shall treat it in accordance with the provisions of this paragraph. **(ii) Publicity:** Seller shall not issue press releases, endorsements or other public documents that reference this purchase order, Buyer or statements made by Buyer without the prior written consent of Buyer.
21. **Delays.** Whenever an actual or potential labour dispute or other event beyond the reasonable control and without the fault or negligence of Seller is delaying or threatens to delay the timely delivery of the Deliverables, Seller shall immediately give written notice of delay, including all relevant information regarding the delay, to Buyer. In addition, Seller shall take all reasonable steps to avoid or remove the cause of such delay and mitigate the harm of such delay to Buyer and will resume performance (if suspended) as soon as the cause of delay is removed. In the event that Seller's performance is delayed or is expected to be delayed by more than five (5) business days, Buyer may, upon written notice to Seller, terminate this purchase order for its convenience in accordance with paragraph 20 of this purchase order.
22. **Stop Work Notice.** Buyer may, at any time by written notice to Seller, require Seller to stop all or any part of this purchase order for a period of up to 90 days upon delivery of a stop work notice to Seller. Upon receipt of the stop work notice, Seller shall immediately cease performance of the work and take all reasonable measures to mitigate further costs. At any time during the 90 day period, Buyer may (a) provide written notice to Seller to resume performance of the work, or (b) cancel this purchase order in accordance with paragraph 21 below. If the stop work period continues to the end of the 90 day period, Buyer shall, at that time, either: (a) cancel the stop work notice, whereupon Seller shall immediately resume performance of the work, or (b) extend the stop work notice for a further 90 day period, or (c) cancel this purchase order in accordance with paragraph 21 below. If, in any case, a stop work notice issued under this paragraph is cancelled and Seller resumes performance of the work, Buyer shall make an equitable adjustment in the delivery date, and this purchase order shall be modified, in writing, accordingly.
23. **Termination.** **(i) For Convenience:** At any time, Buyer, at its option, may terminate this purchase order for convenience, in whole or in part, by written notice. A stop work order or any other form of written notice requiring Seller to immediately cease performance under this purchase order shall obligate Seller to immediately stop work and take any actions necessary to mitigate the impact of such notice. If Buyer does not give Seller written notice to resume work within twenty (20) days after its initial stop work order, this purchase order shall then be deemed terminated for Buyer's convenience as of the twenty-first (21<sup>st</sup>) day after the initial stop work order. Any claim of Seller shall not exceed reasonable demonstrated costs it has incurred in performance of this purchase order prior to notice of termination and shall in no event exceed the total amount of this

- purchase order. Buyer shall remit to Seller any payment due to Seller for documentable and reasonable costs incurred before receipt of Buyer's notice of termination in performance of this purchase order. **(ii) For Default:** Buyer may, by written notice to Seller, cancel this purchase order for default, (a) if Seller fails to deliver the Deliverables within the time specified in this purchase order, (b) if the Deliverables do not conform to this purchase order or if Seller fails to perform any of the other provisions of this purchase order, or so fails to make progress as to endanger performance of this purchase order in accordance with its terms, or (c) if Seller's financial condition shall at any time become unsatisfactory to Buyer. Upon such cancellation, Buyer shall not be liable to Seller for any amount. Seller will deliver to Buyer any of the Deliverables for which Buyer shall make written request prior to or upon cancellation, for which Buyer will pay Seller the fair value of any such Deliverables so requested and delivered. Buyer may pursue any remedies available at law or in equity and Seller shall be liable to Buyer for any and all damages suffered by Buyer by reason of Seller's default.
24. **Remedies.** The rights and remedies of Buyer in this purchase order are cumulative and in addition to any other rights and remedies available at law or in equity.
25. **Assignment and Subcontracting.** Neither this purchase order nor any duty or right under this purchase order shall be assigned, subcontracted or otherwise delegated in any manner without the prior written consent of Buyer. Any purported assignment, subcontract or delegation made contrary to this paragraph shall be void and of no force or effect. This purchase order shall inure to the benefit of and be binding upon the parties, and their respective successors and permitted assigns.
26. **Relationship.** The Seller and Buyer are independent contractors. Nothing in this purchase order shall be deemed to create a partnership, joint venture, franchise, employment, agency or any other relationship between the parties, save as expressly set forth herein. Neither party shall have the power or authority to bind or obligate the other party.
27. **Waiver.** Any failure or delay by either party in exercising any right or remedy will not constitute a waiver. To be effective, any waiver must be in writing and signed by the authorized representative of the party against whom the waiver is sought to be enforced.
28. **Modifications.** No alteration, modification or amendment of any of the provisions of this purchase order shall be binding unless in writing and signed by Buyer's authorized representative(s).
29. **Severability.** If any provision of this purchase order is held to be illegal, invalid or unenforceable by a court of competent jurisdiction, it shall be severable herefrom and all other provisions shall remain in full force and effect.

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30. **Governing Law.** This purchase order shall be governed by, and interpreted and enforced in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein, exclusive of the choice of law rules thereof. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this purchase order. The courts of the Province of Ontario shall have exclusive jurisdiction over any legal proceeding arising out of or relating to this purchase order.
31. **Survival.** Any provision of this purchase order which, by its nature, would reasonably be expected to be performed after the termination of this purchase order shall survive and be enforceable after such termination.
32. **Limitation of Liability.** In no event shall Buyer be liable for any incidental, indirect, special, consequential or punitive damages, even if Buyer knew or should have known of the possibility of such damages.
33. **Supplementary Provisions to Government Contracts.** For Deliverables involving or subject to a government contract, the applicable provisions are contained in the **attached supplement** and made a part of this purchase order.