



NORTH STAR DISTRIBUTION LTD.

## TERMS AND CONDITIONS OF PURCHASE

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### 1. Application of Terms and Conditions of Purchase

These Terms and Conditions of Purchase (the "Terms") shall apply to any quotation, purchase order, order acknowledgment, invoice, or any other documents, drawings, specifications, or instructions issued or accepted by either party in connection with the purchase of goods (each, an "Order," and collectively with these Terms, the "Agreement"), issued by North Star Distribution LTD. (the "Purchaser") to the vendor (the "Vendor"), to the complete exclusion of all other terms and conditions.

This Agreement constitutes the entire agreement between the Purchaser and Vendor with respect to the Goods and supersedes all prior negotiations, representations, or agreements, whether written or oral. In the event of any inconsistency between these Terms and any portion of an Order, these Terms shall govern and prevail. Acceptance of any Order by the Vendor, including by shipment of Goods or commencement of performance, shall constitute full and unconditional acceptance of these Terms. Any additional or differing terms proposed by Vendor are expressly rejected unless agreed to in writing by Purchaser.

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### 2. Standard of Performance

Vendor shall manufacture, supply, and deliver the Goods in a safe, efficient, diligent, and workmanlike manner, in accordance with the highest industry standards applicable to reputable and experienced suppliers of similar goods. Vendor shall strictly comply with all specifications, drawings, instructions, and requirements provided by Purchaser.

Vendor shall comply with all applicable federal, provincial, and municipal laws, statutes, regulations, and codes, including but not limited to environmental, safety, and anti-corruption legislation. Vendor shall be solely responsible for all labour, supervision, equipment, materials, and resources necessary to properly fulfill its obligations under this Agreement.

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### 3. Title, Delivery, and Inspection

#### 3.1 Delivery and Title

Unless otherwise specified in the applicable Order, all Goods shall be delivered on a Delivered Duty Paid (DDP) basis to Purchaser's designated location. Title, ownership, and risk of loss or damage shall pass to Purchaser upon delivery and acceptance at the specified destination.

Time shall be of the essence in respect of Vendor's delivery obligations. Vendor shall ensure that all Goods are properly packaged, handled, and transported in a manner sufficient to prevent damage, deterioration, or loss during transit.

#### 3.2 Inspection

All Goods shall be subject to inspection, testing, and approval by Purchaser at any time prior to or after delivery. No inspection, delay in inspection, or failure to inspect shall relieve Vendor of its obligations or constitute acceptance of non-conforming Goods. Payment for Goods shall not be deemed acceptance.

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#### 4. Changes and Cancellation

Vendor shall not alter, substitute, modify, or deviate from any specifications, quantities, or delivery schedules without the prior written consent of Purchaser. Purchaser reserves the right, at any time, to request changes to an Order, including changes in quantity, specifications, or delivery timelines.

Vendor shall not be entitled to any adjustment in price or schedule unless such changes have been expressly authorized in writing by Purchaser. Purchaser further reserves the right to cancel any Order, in whole or in part, upon written notice, subject only to payment for conforming Goods delivered prior to cancellation.

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#### 5. Price, Payment, and Taxes

##### 5.1 Purchase Price

The purchase price (the "Price") for the Goods shall be as specified in the applicable Order and shall constitute the entire compensation payable to Vendor. Unless otherwise stated, all amounts shall be in Canadian dollars.

Vendor represents and warrants that the Price is fair and reasonable and not less favourable than pricing offered to other customers for similar goods in comparable quantities. Purchaser shall only be obligated to pay undisputed amounts and only after Goods have been delivered in full compliance with this Agreement.

##### 5.2 Taxes and Duties

The Price shall include all applicable duties, levies, charges, and expenses incurred by Vendor in the performance of its obligations, excluding applicable Goods and Services Tax (GST), which shall be separately identified on Vendor's invoice where applicable.

Vendor shall be solely responsible for the payment and remittance of all taxes, duties, and governmental charges arising from the supply of Goods and shall indemnify and hold harmless Purchaser from any liability arising from Vendor's failure to do so.

##### 5.3 Property Interest

Purchaser shall acquire full legal and beneficial ownership of the Goods upon the earlier of delivery or payment, free and clear of all liens, claims, or encumbrances.

##### 5.4 Records and Audit

Vendor shall maintain complete and accurate books, records, and supporting documentation relating to the performance of its obligations under this Agreement for a period of not less than thirty-six (36) months. Purchaser shall have the right, upon reasonable notice, to audit such records to verify compliance.

#### 6. Liens and Set-Off

##### 6.1 Liens

Vendor represents, warrants, and covenants that all Goods supplied under this Agreement shall be free and clear of any and all liens, charges, security interests, or other encumbrances of any nature whatsoever. Vendor shall promptly pay all amounts due in connection with labour, materials, equipment, services, or subcontractors used in the performance of any Order.

In the event that any lien or encumbrance is registered or asserted against the Goods or any property of Purchaser, Vendor shall, at its sole cost and expense, immediately take all steps necessary to discharge, vacate, or otherwise remove such lien or encumbrance. Should Vendor fail to do so promptly, Purchaser shall be entitled, but not obligated, to take such actions as it deems necessary to remove the lien, and Vendor shall immediately reimburse Purchaser for all costs incurred, including legal fees on a full indemnity basis.

Vendor acknowledges and agrees that Purchaser shall have no obligation to make any payment to Vendor while any lien or encumbrance remains outstanding.

## 6.2 Set-Off

Purchaser shall have the right, at any time and from time to time, to withhold, deduct, or set off any amounts owing to Vendor against any amounts owed by Vendor to Purchaser, whether arising under this Agreement or under any other agreement or arrangement between the parties. This right of set-off shall apply regardless of whether such amounts are disputed, contingent, or not yet due.

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## 7. Warranty

Vendor expressly warrants and represents that all Goods supplied under this Agreement shall:

- (a) strictly conform to all applicable specifications, drawings, samples, and descriptions provided by Purchaser;
- (b) be of merchantable quality and fit for their intended purpose;
- (c) be new, free from defects in design, materials, and workmanship;
- (d) comply with all applicable laws, regulations, and industry standards; and
- (e) not infringe upon or violate any intellectual property or proprietary rights of any third party.

These warranties are in addition to, and not in substitution for, any warranties implied by law. All warranties shall survive inspection, acceptance, delivery, and payment.

Without limiting any other rights of Purchaser, Vendor shall, at its sole cost and expense and upon notice from Purchaser, promptly repair, replace, or correct any defective or non-conforming Goods. Vendor shall bear all associated costs, including transportation, removal, reinstallation, and any damages resulting from such defects.

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## 8. Indemnity and Liability

Vendor shall be fully liable for, and shall indemnify, defend, and hold harmless Purchaser, its affiliates, and their respective directors, officers, employees, agents, and representatives (collectively, the "Purchaser Indemnified Parties") from and against any and all claims, demands, actions, damages, losses, liabilities, penalties, fines, costs, and expenses (including legal fees on a solicitor and client basis) arising out of or in connection with:

- (a) any breach by Vendor of this Agreement;

- (b) any negligent act or omission, willful misconduct, or fault of Vendor or its personnel;
- (c) any defect, deficiency, or failure in the Goods;
- (d) any infringement or alleged infringement of intellectual property rights; or
- (e) any violation of applicable laws or regulations.

Vendor's liability under this Agreement shall be absolute and shall not be limited by any insurance coverage. The obligations set out in this Section shall survive termination or expiration of this Agreement.

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## 9. Remedies

In addition to any other rights or remedies available at law or in equity, Purchaser shall be entitled, at its sole discretion, to exercise any one or more of the following remedies in the event of Vendor's default:

- (a) reject or refuse acceptance of any Goods that do not conform to the Agreement;
- (b) require Vendor, at its sole cost, to repair, replace, or correct any deficiencies;
- (c) terminate any Order, in whole or in part, without liability to Vendor;
- (d) procure substitute goods or services from alternate sources and recover all associated costs from Vendor;
- (e) recover all damages suffered, including incidental, indirect, and consequential damages;
- (f) withhold payment until deficiencies are remedied; and
- (g) exercise any other rights available under applicable law.

All remedies provided herein shall be cumulative and may be exercised independently or concurrently.

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## 10. Confidentiality

Vendor acknowledges that it may receive confidential or proprietary information belonging to Purchaser, including but not limited to technical data, specifications, pricing, customer information, and business processes ("Confidential Information").

Vendor agrees to:

- (a) maintain all Confidential Information in strict confidence using at least a commercially reasonable standard of care;
- (b) not disclose such information to any third party without prior written consent of Purchaser;
- (c) use such information solely for the purpose of fulfilling its obligations under this Agreement; and
- (d) restrict access to Confidential Information to those employees or agents who require such access.

Upon termination or upon request, Vendor shall promptly return or destroy all Confidential Information. These obligations shall survive indefinitely.

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## 11. Termination

### 11.1 Termination for Convenience

Purchaser may, at its sole discretion, terminate any Order, in whole or in part, at any time upon written notice to Vendor. In such event, Purchaser shall only be liable for payment of conforming Goods delivered and accepted prior to termination, together with any reasonable, pre-approved costs incurred by Vendor.

### 11.2 Termination for Cause

Purchaser may immediately terminate any Order upon written notice if Vendor:

- (a) breaches any material provision of this Agreement;
- (b) fails to perform its obligations in a timely or satisfactory manner;
- (c) becomes insolvent, bankrupt, or subject to any insolvency proceedings; or
- (d) ceases or threatens to cease carrying on business.

Upon termination for cause, Vendor shall be liable for all damages, costs, and expenses incurred by Purchaser as a result of such termination. Purchaser shall have the right to take possession of any Goods paid for or in progress.

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## 12. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein. The parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta and waive any objection based on venue or forum non conveniens.

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## 13. Force Majeure

Neither party shall be liable for any failure or delay in the performance of its obligations (other than payment obligations) where such failure or delay is due to events beyond its reasonable control, including but not limited to acts of God, natural disasters, war, strikes, or governmental actions.

The affected party shall promptly notify the other party and use commercially reasonable efforts to mitigate the effects of such event. If such event continues for a period exceeding five (5) consecutive days, Purchaser may terminate the affected Order without liability.

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## 14. Definitions

For the purposes of this Agreement:

“Goods” means all products, materials, equipment, and/or services to be supplied by Vendor under an Order.

“Purchaser” means North Star Distribution LTD., including its divisions, affiliates, successors, and assigns.

“Vendor” means the individual, corporation, partnership, or other legal entity supplying the Goods, including its affiliates and permitted assigns.

## 15. General Provisions

The parties are independent contractors, and nothing contained in this Agreement shall be deemed to create any partnership, joint venture, or agency relationship.

This Agreement constitutes the entire agreement between the parties and supersedes all prior discussions, negotiations, and understandings. No amendment or modification shall be valid unless in writing and signed by both parties.

If any provision of this Agreement is determined to be invalid or unenforceable, such provision shall be severed, and the remaining provisions shall remain in full force and effect.

Vendor shall not assign or transfer this Agreement without the prior written consent of Purchaser. Purchaser may assign this Agreement, in whole or in part, without restriction.

No failure or delay by Purchaser in exercising any right shall constitute a waiver of such right. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.