

GENERAL TERMS OF PURCHASE (GTP)

SCOPE

The following provisions are the general terms that apply to any order placed by our company (hereinafter "The BUYER") for the supply of products or services. Unless otherwise formally and specifically agreed by the BUYER, they supersede all sale terms of the SUPPLIER (hereinafter « The SUPPLIER »).

VALIDITY OF ORDER FORMS

The orders written on letterhead stationery of the BUYER (order form) are issued and signed by its purchasing department.

Any order placed verbally by telephone, fax, letter or electronic mail should be confirmed in a regular order form which constitutes the sole purchasing undertaking of the BUYER.

Failing a regular order form, no request for settlement may be taken into consideration.

2. ORDER RECEIPT CONFIRMATION

The order and the general terms of purchase are deemed accepted on receipt of the receipt confirmation appended to the order.

The receipt confirmation should be returned to the purchasing department of the BUYER by the SUPPLIER, at the latest within eight working days.

After that time, the order shall be considered as accepted in all its terms and duties by SUPPLIER.

The formal or tacit acceptance of the orders implies, ipso facto acceptance of these general terms of purchase and payment with no exception nor reserve. No other customs or contrary precedent may be claimed, and no clause possibly appearing in general terms, catalogues, quotes, letters or other commercial papers of the SUPPLIER may be binding, including any reservation of title clause. These terms shall not be departed from other than by special written agreements formally agreed to by the BUYER.

DELIVERY

Unless otherwise specified, the dates appearing in the orders are understood:

- **For deliveries:** supplies or equipment returned to the places set in the order.

- **For store or plant pick-ups:** supplies or equipment ready for acceptance or duly packaged ready for shipping according to the terms specified in the order. The delivery dates or provision dates should be strictly complied with. In the event of any delay resulting from force majeure should be documented in writing upon occurrence of the event.

In the event of any late delivery, the transfer of risks takes place on the effective delivery date and the SUPPLIER shall pay, without any need for any prior injunction and without prejudice to the provisions of article 12 and of any damages and interests, penalties whose rate is set, unless otherwise specified in the order, to 1% of the amount before taxes of the order per late week. They shall be deducted from the amount of the SUPPLIER'S invoices.

PACKAGING AND CARRIAGE

Unless otherwise specified:

Deliveries to the places specified in the order are "carriage and packaging free", all costs are payable by the SUPPLIER.

For equipment bought "ex works", the SUPPLIER shall be responsible for the packaging and carriage on behalf of the BUYER on the best terms.

The respective costs shall be paid by the SUPPLIER and shall be charged to the BUYER at cost price.

Any delivery should be made during normal opening hours and at no rate after 4.00 pm and not on Saturdays, Sundays and holidays.

No shipping shall be made carriage forward; all costs resulting from any failure to comply with this clause shall be borne by the SUPPLIER.

The SUPPLIER shall be responsible for any damages sustained by its SUPPLIERS due to inadequate packaging or to loading carried out in bad conditions.

RISK TRANSFER

Regardless of the transfer of title, which shall take place in accordance with general law rules, the risk transfer shall take place according to the agreed delivery method, at the earliest upon delivery or upon provision of the equipment on the date specified in the order form and subject to the purpose of the order meeting the usual quality criteria or those specified in the specifications of the BUYER.

The SUPPLIER agrees to deliver supplies meeting applicable health, safety, and environment protection laws, regulations, standards and customs.

The SUPPLIERS holds the BUYER harmless against any action resulting from any failure to comply with these provisions and shall bear the direct and indirect consequences thereof, so the BUYER is never concerned therewith.

INSPECTION AND ACCEPTANCE

The SUPPLIER and its own SUPPLIERS shall provide the representatives of the BUYER, of its clients and of regulatory authorities with free access to the establishments covered by the order and the related registrations.

The sole purpose of the inspections carried out during manufacturing is to inform the BUYER and do not incur its responsibility nor do they exempt the SUPPLIER from its duties and responsibilities.

The signing of a delivery list or discharge during the delivery shall not be considered as final acceptance.

The acceptance shall not be pronounced by the BUYER or its representatives before a quantity, quality and technical check; however it does not exempt the SUPPLIER from its liability for defects and latent non compliances in the sold product. When the supply is made for the needs of a contract entered into between the BUYER and its client, the acceptance cannot be pronounced before the acceptance by that client of the work or fraction of the work where the said supplies are inserted.

CHANGES, EXEMPTIONS AND SCRAPPING

SOCOMORE QUALITY ASSURANCE MANAGER OR PURCHASER SHALL BE NOTIFIED IN WRITING OF ALL CHANGES AS OWNERSHIP ADDRESS, PROCESS, INGREDIENTS, OR PLANT LOCATION AFFECTING THE PRODUCT, PRODUCT APPROVAL, OR THE QUALITY SYSTEM BEFORE THE CHANGE IS EFFECTIVE.

In the event of any delivery not meeting the contractual requirements, the SUPPLIER shall promptly inform the BUYER of any identified non-compliance and provide all requested indications on the non-compliance risks.

In that event the BUYER reserves the right to accept or scrap all or part of the order by exception.

The BUYER shall not be deemed to have accepted the Goods in a final manner, even after settlement of the respective invoice, as long as the BUYER has not had reasonable time or at least thirty (30) working days to inspect or check the same after the delivery/performance or during the use thereof.

If the Goods do not meet the order or if they are scrapped in full or in part by the BUYER or the client thereof, the BUYER reserves the right:

- To ask the SUPPLIER for the replacement or repair of the scrapped supply within the time allotted by the BUYER.

- To have the order performed by a third party at its option and to apply the provisions of article 12.

- To keep the invoice subject to amendment.

- To pronounce the termination or cancellation of the order in full or in part, in pursuance of article 12.

In all cases, all costs and risks shall be borne by the SUPPLIER.

GUARANTEES

The SUPPLIER guarantees the BUYER against any designing, material, manufacturing and assembling defect, any apparent or latent defect and agrees, according to the latter's option, to repair or change the supply at its costs, very promptly.

The SUPPLIER shall remedy all the consequences that such defects cause to the BUYER and to the clients thereof.

The guarantee shall become effective as from the delivery on the premises of the BUYER in the event the supply is not assembled or installed by the SUPPLIER and on the signing date of the Supply start up and compliance report for supplies mounted and/or installed by the SUPPLIER. Unless otherwise agreed the guarantee shall last 12 months.

In the event the performance of the repair, corrective maintenance and/or change work generates disturbance periods and/or production downtime at the BUYER'S or the use of the Machine by the latter, the warranty period shall be increased by the aggregated duration of all those periods.

The SUPPLIER guarantees compliance with the provisions of the Hazardous Products Act of Canada and the Regulations adopted by virtue of such act including that the registration and required information under those Regulations and essential for the use of the products have been duly performed within the required time. As a reminder, the BUYER cannot be forced to carry out such registrations.

The SUPPLIER agrees to comply with all laws and regulations applicable to the transport of hazardous goods.

The SUPPLIER, as a professional, shall be bound by a duty of advice, warning and alert towards the BUYER. Especially, it shall inform the BUYER of anything that could, in its option, constitute gaps, omissions, contradictions or ambiguities in the performance of the Service, upon communication of the base data of the proposed project.

The SUPPLIER shall be responsible, towards the BUYER, for the proper and timely performance of its duties in accordance with the provisions of this Contract and/or the order, and shall bear any direct damages possibly incurred by the BUYER in connection with the SUPPLIER'S failure to perform its duties under the Contract.

The SUPPLIER shall ensure its own compliance and the compliance of the supplies with all official regulations and applicable laws (including those relating to labour law and to environmental issues).

The SUPPLIER guarantees and states that it has read such laws and regulations. In the event of any failure to comply therewith by the SUPPLIER, the SUPPLIER agrees to compensate and hold the BUYER harmless against any possible consequences of the said failure to perform.

Any action by the SUPPLIER on the site of the BUYER shall take place in compliance with the policies and safety instructions of the latter. The SUPPLIER'S work shall be carried out under its own responsibility, and it shall have the necessary coverage and insurance, including assembling Insurance to cover all damages arising due to the SUPPLIER during the supply installation operation on the site of the BUYER.

BILLING AND PAYMENT

The invoicing of the supply shall take place only upon delivery, according to the terms specified herein, for all amounts ordered and on the delivery date specified in the order.

The settlement of checked invoices is completed on 45 day end of month terms as from the issuing date of the invoice, by transfer on term. No instalment shall be paid.

In the event of any late payment, interest applicable to the Contract shall be two percent 2% over prime rate, as established by the National Bank of Canada. Penalties shall be for compensation purposes, shall be exclusive of any other compensation and shall apply to the amount before taxes of the invoice.

INTELLECTUAL PROPERTY AND CONFIDENTIALITY

The SUPPLIER shall hold the BUYER harmless against any claim that may be initiated by third parties in connection with the items supplies including in terms of the industrial or intellectual property right. In the event of proceedings, of infringement or use of the items, the SUPPLIER shall immediately substitute itself to the BUYER and ensure its defence in its place against any cases, whether substantiated or not, that may be brought against it, it being understood that any amount that may be paid by the BUYER for costs and fees or even for damages paid following orders shall be fully repaid to it.

The SUPPLIER agrees to keep confidential any information received under the order by the BUYER and/or

Its client, whether such information was provided at the time of the estimate or during the performance of the order and throughout the whole duration of the order.

The SUPPLIER shall remained bound by that duty at the end of the supply for a term of five (5) years, except for the information mentioning protected rights where the prohibition applies until the end of the legal protection pertaining to such rights.

Any communication or advertising relating to the order shall be subject to the BUYER'S prior and written agreement.

SUSPENSION, TERMINATION, CANCELLATION OF THE ORDER

The BUYER reserves the right to suspend at any time the performance of the order. In that case, an agreement on the compensation to be granted, as needed, to the SUPPLIER shall take place, it being understood that such compensation shall be limited to the expenses directly caused by the suspension, excluding any indirect and/or financial damages.

The BUYER reserves the right to pronounce by right the termination or cancellation of all or part of the order in the event the SUPPLIER fails to perform its contractual duties, after an unsuccessful injunction, however the BUYER shall be exempted from such an injunction in the event the delivery time is not met.

The termination or cancellation may also be ordered should it appear, during the performance of the order, that its object would be rejected in the end in part or in full, should it be finished, or that the delivery times cannot be met. In such cases, in addition to the refund of amounts that have possibly been already paid, the SUPPLIER shall be bound by the full compensation of all sustained direct and indirect losses.

The BUYER may claim force majeure events in the cases and circumstances specified by the law. The orders should then be suspended or cancelled based on the significance or the damages or the time the SUPPLIER is unable to perform its contractual duties. Orders already delivered shall be either returned or the payment thereof postponed by a time equal to the impossibility time only if it is a force majeure event or a fortuitous case.

RESPONSIBILITY – INSURANCE

The SUPPLIER shall be responsible towards the BUYER for direct or indirect damages of any kind caused to the BUYER and resulting from a defect of

any kind or from a supply delay or taking place in connection with, or as a result of the supply.

The SUPPLIER shall be solely responsible for the supply unit its acceptance by the BUYER in accordance with article 7 and during the warranty period. The SUPPLIER shall bear any replacement and repair regardless of any insurance.

Regardless of the foregoing duties, the SUPPLIER shall compensate the whole damages resulting from any delay in performance, from a failure to perform or poor performance of the order.

The SUPPLIER shall take out, upon placing the order, with one or more creditworthy insurance companies accepted by the BUYER, the insurance policies to cover:

- The repair of damages of any kind likely to be caused both to the BUYER and to any third party to the order by the supplies or by the SUPPLIER. The insurance policy shall cover the compensation of the material damages, bodily injuries and financial losses in a minimum amount of 5 million dollars Canadian.

- The compensation of damages of any kind affecting the supplies under the order in a minimum amount at least equal to the value of the order. The SUPPLIER shall document on receipt of each order, valid insurance certificates and as needed, an insurance certificate to cover its responsibility under Vancouver, British Columbia Laws. The subscription of such insurance does not constitute a SUPPLIER liability limit.

In no event shall the liability of the BUYER be incurred for the supply under the order and the SUPPLIER shall hold the BUYER harmless against any claim and actions carried out against the latter, as long as the responsibility of the BUYER may be sought.

The SUPPLIER agrees to pass on such duties to its own sub-contractors and SUPPLIERS.

NO TRANSFER

All orders are specific to the SUPPLIER and shall not be sub-contracted, transferred or sold to any other person without the written consent of the BUYER.

Notwithstanding any clause to the contrary appearing in these Terms, the BUYER shall be allowed to sell and transfer to its subsidiaries, with no further agreement, all rights and duties related to the order, subject to said subsidiaries complying with all duties related thereto.

DIVISIBILITY

The invalidity, voiding, lack of enforceability or mandatory nature of any of the provisions of these terms shall not result in the invalidity, voiding, lack of enforceability or mandatory nature of the other provisions, which shall remain in effect.

APPLICABLE LAW AND JURISDICTIONAL CLAUSE

THIS CONTRACT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE PROVINCE OF British Columbia. Supplier hereby agrees, for BUYER'S exclusive benefit, that the Vancouver, British Columbia Court shall have sole jurisdiction to hear all claims or proceedings connected with the products or the contract.

Version November 9, 2020

SUPPLIER

By: _____
✍

BUYER

By: _____
✍