

CGC PURCHASE ORDER - TERMS AND CONDITIONS

All purchase orders (the "Agreement") issued by CGC Inc. are made expressly subject to these additional terms and conditions. Acceptance of orders, whether oral or written, is based on the express condition that Seller agrees to all of the terms and conditions expressed herein. These terms and conditions will govern unless Seller notifies Buyer of their unacceptability within five (5) days from the receipt of these terms and conditions. Seller's failure to object to these terms and conditions within five (5) days, or shipment by Seller, will constitute Seller's assent to said terms and conditions. These terms and conditions represent the final and complete agreement of the parties, and no terms or conditions in any way modifying or changing the provisions stated herein shall be binding upon Buyer unless made in writing and signed and approved by an officer or other authorized person at the home office of the company in Mississauga, Ontario. No modification of any of these items shall be effected by Seller's invoice, order confirmation or similar forms containing printed terms and conditions additional to or different from the terms herein.

1. Specifications. All specifications, drawings and data submitted to Seller by Buyer in connection with this Agreement are hereby incorporated herein and made a part hereof.

2. Confidentiality. Each party acknowledges that its respective performance of its obligations hereunder may require that it have access to confidential business and proprietary information of the other. Each party agrees on behalf of itself and its officers, directors, employees and agents to use its/their best efforts to prevent either duplication or disclosure of data, plans, specifications, formulae, drawing or any other information whether business or technical, of a confidential nature, which has been furnished directly or in directly, in writing or otherwise to the other.

"Confidential information" shall include such information as would be apparent to a reasonable person, familiar with the disclosing party's business and the industry in which it operates, that such information is of a confidential or proprietary nature and that

maintenance of its confidentiality would likely be of commercial value to the disclosing party.

"Confidential information" shall not include information that is in the public domain prior to its disclosure, becomes part of the public domain through no wrongful act of the receiving party, was in the lawful possession of the receiving party prior to its disclosure to the receiving party or was independently developed by the receiving party.

3. Warranty. Seller warrants to Buyer, Buyer's customers and users of the products manufactured by Buyer incorporating the goods herein described, that:

- (a) It has good title to any and all goods supplied hereunder, and said goods will be free and clear of any and all liens and encumbrances.
- (b) Any and all goods supplied hereunder will be of merchantable quality.
- (c) Any and all goods supplied hereunder shall be fit for the particular use intended, free from defects, whether patent or latent, in material and workmanship, and shall conform to all contract specifications and requirements.
- (d) Seller shall, in the performance of its obligations hereunder, comply with all, and shall not violate any, applicable federal, provincial, and local laws and governmental regulations and orders.
- (e) The foregoing warranties shall survive acceptance of the goods by Buyer and shall be in addition to any warranties of additional scope given to Buyer by Seller.

4. Product Safety. Where applicable, the Safety Data Sheet (SDS) and Technical Data Sheet for each Product will be provided to Buyer. In addition, the Seller will provide full disclosure of all chemical components for each product to the Buyer's EHS group that is responsible for the Safety Assessment. Where applicable, Seller will also provide laboratory test results of its products or raw materials required for Buyer's Safety Assessment.

5. Title and Risk of Loss. Title to the goods and risk of loss thereof, or damage thereto, shall pass to Buyer upon delivery to Buyer. All goods shall be received by Buyer subject to its right of inspection and rejection. Buyer shall be allowed a reasonable period of time to inspect the goods and to notify Seller of any non-conformance with the terms and conditions of this Agreement. Buyer may reject any goods which do not conform to the terms and conditions of this order. Goods so rejected may be returned to Seller or held by Buyer for pick-up by Seller, all at Seller's expense.

6. Delivery. Time is of the essence of this purchase order. In the event that Seller shall fail to deliver any goods or perform any services on time, Seller shall reimburse Buyer upon demand for any and all loss, cost, damage, and expense which Buyer shall sustain as a result or in consequence of such failure. In addition, failure to make timely deliveries will be proper cause, at Buyer's option, for cancellation of this order. If in order to meet a delivery date it becomes necessary for Seller to ship by a more expensive way than specified herein, any increased transportation costs resulting therefrom shall be paid for by Seller unless the necessity for such costs has been caused by Purchaser. Seller shall notify the Buyer promptly of any delays or threatened delays in the performance of this order. No acceptance of goods or services after the scheduled delivery date will waive Buyer's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof. No charge will be made to Buyer for storage or packing unless specified. Carrier and route used must result in lowest rate possible consistent with service rendered except when otherwise

specified by Buyer, and penalties or increased charges due to failure to do so will be charged to Seller. Shipping instructions, if any, are made part of this Agreement.

7. Customs Compliance for Non-Canadian Sellers. Because Buyer will be the Importer of Record, Seller shall provide Buyer with complete and accurate Customs documentation in a timely fashion. Such documentation includes, but is not necessarily limited to, a Canada Customs Invoice with each shipment and a NAFTA Certificate of Origin, either with each shipment or as an annual blanket Certificate. Any fines, penalties, or non-recoverable duties or taxes levied against Buyer by the Canadian Border Services Agency as a result of Seller's failure to provide such complete and accurate documentation in a timely fashion will be promptly reimbursed to Buyer by Seller. Similarly, if detention charges accrue to Buyer from the carrier for delays at the border caused by Seller's failure to provide complete and accurate Customs documentation in a timely fashion, Seller will promptly reimburse Buyer for such costs.

8. Indemnification. Seller shall defend, indemnify and save harmless Buyer, its officers, directors, successors, assigns, employees, agents, customers and users of its products incorporating the goods herein, of and from any claim, loss, damage or expense (including reasonable attorney's fees), including any incidental or consequential damages, directly or indirectly arising out of

- (a) Any infringement or claim of infringement of any letters patent or trade secrets by reason of the use or sale of goods purchased hereunder, excepting unpatented staple articles of commerce and goods manufactured in accordance with Buyer's design;
- (b) Injury to persons or property by reason of any defects in the goods, or breach by Seller of any of its warranties, or Seller's failure timely to deliver the goods purchased hereunder; or

- (c) Any noncompliance or violation of law as provided in paragraph 3(d), above.

Seller shall at its own expense, if so requested by Buyer, defend all claims, proceedings or suits against Buyer, its successors, assigns, employees, customers and users of its products, in which any of the aforesaid claims are alleged, provided Seller is duly notified of such claims, proceedings or suits. If, in any such suit, said goods are held to constitute an infringement of any letters patent or trade secrets and use thereof is enjoined, Seller shall, at Buyer's election, either (1) procure for Buyer the right to continue using the goods, or (2) replace the same with noninfringing apparatus, or (3) modify the same so that it becomes noninfringing.

9. Insurance. Seller will secure and maintain insurance providing coverage for liabilities to third parties for bodily injury (personal injury) and damage to property in amounts sufficient to protect Buyer in the event of such injury or damage, and will be in compliance with any and all laws, regulations or orders addressing the liabilities of an employer to its employees for injuries and disease suffered in connection with employment. Seller further will maintain such additional types and limits of insurance as is customary for a company of similar size and similar operations to Seller in the jurisdiction or jurisdictions in which Seller's operations take place.

10. Ownership. Data, drawings, specifications or other technical information furnished directly or indirectly, in writing or otherwise, to Seller by Buyer pursuant to this Agreement shall in no event become the property of Seller and shall be used only in fulfilling the obligations imposed by this Agreement and for no other purpose and shall not be duplicated or disclosed to others. Such furnishing of data, drawings, specifications, or technical information shall not be construed as granting any rights whatsoever, express or implied, under any patents of Buyer.

11. Price. Seller will give Buyer the benefit of any price reductions available or in effect at the actual time of shipment.

12. Changes. Buyer reserves the right at any time to make changes in the following: (a) specifications, drawings and data incorporated in this order where the goods to be furnished are to be specially manufactured for Buyer; (b) methods of shipment or packing; (c) place of delivery; and (d) time of delivery. If any such change causes an increase or decrease in the cost of or the time required for performance of this Agreement, an equitable adjustment shall be made in the purchase price or delivery schedule, or both. If the parties cannot agree to such price or time adjustment within ten (10) business days (or such other time as may then be agreeable to both parties), of Seller's receipt of Buyer's request for a change, either party may terminate this Agreement upon five(5) business days prior notice to the other. Any changes, if agreeable to Buyer, whether initiated by Seller or Buyer, shall be denominated as a "revision" to this Agreement. Only Buyer shall issue revisions and, if issued, shall be numbered serially, and each such revision shall be further subject to these terms and conditions.

13. Termination. Buyer may at any time terminate this Agreement, in whole or in part, upon one business day's prior notice to Seller. If this contract is terminated by Buyer for any reason other than for breach by Seller, any Seller must notify Buyer of any claim resulting from Buyer's termination within ninety (90) days of the effective date of termination. Such claim shall be settled on the basis of the reasonable costs Seller has incurred in the performance of this contract prior to receipt of Buyer's notice of termination.

14. Non-Waiver. The failure by either party to pursue any remedy hereunder shall not constitute a waiver on its part to pursue such remedy with respect to the same or similar breach.

15. Entire Agreement. This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes and

replaces all prior Agreements, understandings, and representations, whether written or oral.

16. Governing Law. This Agreement shall be construed in accordance with the laws of the Province of Ontario without regard to the conflicts provisions thereof. Venue shall be proper in the courts of Ontario.

17. Severability. If any provision of this Agreement shall be held invalid or unenforceable to any extent, the remainder of the Agreement shall not be affected thereby and shall be enforced to the greatest extent permitted by law.

18. Relationship of the Parties. The relationship of the parties is solely that of buyer and seller and nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or employment relationship.

19. Agreement to Govern. Any purchases by Buyer hereunder shall be governed by this Agreement and this Agreement shall prevail over any contrary or inconsistent terms contained in any order, confirmation, estimate, shipment or invoicing document of either party, unless expressly incorporated herein on the face of this Agreement.

20. Assignment. Neither party may assign this Agreement in whole or in part without the prior written consent of the other, which consent shall not be unreasonably withheld.

21. Force Majeure. Performance by either party hereunder shall be excused in the event and for the period of time that such party is unable to perform its obligations because of strikes or other labor difficulties, labor shortage, fire, flood, war, breakdowns, delays in or lack of transportation, governmental priorities or allocation, or any other cause beyond the reasonable control of such party.

22. Notices. Notices shall be sent by a nationally recognized overnight courier service to the addresses specified on the face hereof and shall be effective one day after dispatch.

23. Legal Effect. The parties acknowledge and agree that this Agreement or any revision thereof may be executed in writing or by means of a “secure electronic signature” meeting the requirements of Canada’s Personal Information Protection and Electronic Documents Act and the Secure Electronic Signature Regulations promulgated thereunder.

24. Payment Terms. CGC Inc’s standard payment terms are Net 60 days from receipt of the invoice or receipt of the goods, whichever is later.

25. Domestic Sale of Good Laws. Buyer and Seller agree that domestic sale of goods laws shall apply to this purchase order and not the United Nations Convention on Contracts for the International Sale of Goods.

26. Master Contract. If this purchase order is issued as shipping instructions (and/or release document) pursuant to the terms of an existing contract between Buyer and Seller, this purchase order shall be governed exclusively by the terms of such existing contract.

27. Language. The parties hereto have expressly required that this purchase order and all documents, agreements and notices related hereto be drafted in the English language. Les parties aux présentes ont expressément exigé que le présent bon de commande et tous les autres documents, conventions ou avis qui y sont afferents soient rédigés en langue anglaise.