

GENERAL TERMS AND CONDITIONS OF PURCHASE

**THIS AGREEMENT INCLUDES:
INDEMNITY PROVISIONS (SECTION 18).
CHOICE OF LAW AND FORUM SELECTION CLAUSE (SECTION 20.1)
WAIVER OF TRIAL BY JURY (SECTION 20.1)
PLEASE REVIEW CAREFULLY.**

1. GENERAL

1.1. These General Terms and Conditions of Purchase (hereinafter "PURCHASE TERMS") apply to all purchases of SARENS (hereinafter "SCOPE OF SUPPLY"), unless SARENS has expressly agreed otherwise in writing. "SARENS" means SARENS CANADA Inc.

1.2. In case of contradiction between contract documents, i.e. the PURCHASE ORDER of SARENS plus all documents referred to therein (the said documents hereinafter called "CONTRACT"), the following order of precedence shall apply:

- a. Negotiated, agreed and mutually signed document;
- b. SARENS' Purchase Order (hereinafter "PURCHASE ORDER");
- c. SARENS' PURCHASE TERMS;
- d. SARENS' request for offer;
- e. SUPPLIER'S offer; and,
- f. SUPPLIER'S Sales Terms and Conditions,

1.3. All documents making part of the CONTRACT can be changed only in a written, duly signed document.

1.4. All of SUPPLIER'S written data and information submitted in connection with the tendering or placing of a PURCHASE ORDER process shall be binding against the SUPPLIER, unless such data and information is clearly marked as being non-binding or preliminary.

1.5. Unless otherwise agreed, delivery shall be made DDP. Trade terms like DDP, FOB, CIF, EX WORKS etc. shall be interpreted in accordance with the INCOTERMS 2000 or, after replacement thereof, the then effective INCOTERMS.

2. OFFERS IN REPLY TO INVITATIONS

2.1. All offers shall be without cost for SARENS, even if they have been submitted on SARENS' request.

2.2. Unless otherwise agreed upon, offers shall be open for acceptance for 90 (ninety) days following receipt by SARENS.

3. PURCHASE ORDERS, DATA DELIVERED BY SARENS

3.1. PURCHASE ORDERS shall be valid only if they are placed in writing on SARENS' official form and transmitted to the SUPPLIER by either facsimile, mail or e-mail. Any oral agreement, amendment or change of any PURCHASE ORDER shall be valid only if confirmed by SARENS in writing. Sketches, drawings, comments, specifications, etc. shall form an integral part of the CONTRACT provided that they are expressly mentioned in a PURCHASE ORDER.

3.2. The receipt of the PURCHASE ORDER is the completion of the CONTRACT between the parties and the beginning of the parties obligations, unless SUPPLIER takes exception to the PURCHASE ORDER in writing within five (5) working days after receipt of the PURCHASE ORDER. Upon SUPPLIER'S start of the execution of the PURCHASE ORDER,

the SUPPLIER is deemed to have accepted the PURCHASE ORDER.

3.3. SUPPLIER shall be obliged to refer to SARENS should SUPPLIER perceive an error or open point regarding essential parts of the CONTRACT, particularly in respect of quantity, price, or term. SUPPLIER is responsible for becoming acquainted with all essential data and circumstances as well as the respective intended purpose.

4. SUBCONTRACTING

4.1. SUPPLIER shall not subcontract any part of the work on any goods or services to be supplied under the CONTRACT without prior written approval of SARENS and shall submit to SARENS a list containing all subcontractors. SUPPLIER must provide to subcontractors all necessary information such that all purchasing requirements will be fulfilled, including key characteristics applicable to the subcontractors scope of work. This provision shall not apply to purchases of standard commercial products, nationally advertised products, or raw materials.

5. PRICES AND PAYMENT

5.1. Unless otherwise specified in the PURCHASE ORDER, the prices agreed shall be fixed prices and shall remain unchanged until completion of the CONTRACT and shall include packaging and freight costs, taxes and duties, without Value Added Taxes.

5.2. Value Added Taxes (VAT), sales taxes or other taxes, as well as packaging and freight costs shall be stated separately in the invoice.

5.3. For a period of two (2) years following the completion of the CONTRACT, SARENS may, upon its request, audit all SUPPLIER records related to the SCOPE OF SUPPLY. However, SUPPLIER may exclude trade secrets, formulas, or processes from audit unless SARENS arranges for review by a third party under obligation of confidentiality. For purposes of the audit, SUPPLIER shall make its books and records available to SARENS during normal business hours and shall permit SARENS to have reasonable access to the SUPPLIER'S facilities to the extent necessary to conduct the audit. Additionally, SUPPLIER shall secure the compliance of its subcontractors to the extent necessary for SARENS to conduct an audit pursuant to this provision.

5.4. Unless otherwise agreed upon, the CONTRACT price shall be paid within sixty (60) days net after acceptance of the SCOPE OF SUPPLY and issuing of invoice, whichever date is later.

5.5. If SARENS makes advance payments, SUPPLIER shall, at SARENS' written request, provide an irrevocable and unconditional first demand bank guarantee in the amount of the advance payments, issued by a first class bank acceptable to SARENS and shall be valid for CONTRACT period plus three (3) months.

5.6. On delay of requested certificates of material, quality documents, or other documents pertaining to the SCOPE OF SUPPLY, SARENS shall be entitled to extend any agreed payment period appropriately.

5.7. SARENS reserves the right to set off counter-claims of SARENS or affiliated SARENS companies against payments owed to SUPPLIER. SUPPLIER shall only be entitled to assign claims against SARENS to third parties with SARENS' prior written approval, which SARENS shall not refuse unreasonably.

5.8. SARENS shall be entitled to a discount of two percent (2%) on the invoice amount, excluding the amounts to be stated separately in accordance with section 5.2 above, for payment within 14 days after the invoice receipt.

6. FREE ISSUE MATERIALS / TOOLING

6.1. The title to materials and/or tools (such as dies, jigs, fixtures, patterns, gauges, molds, test equipment) supplied by SARENS ("FREE ISSUE MATERIALS") for execution of an order shall remain with SARENS even following machining or processing. Such materials and/or tools shall be marked as SARENS' property and shall be stored separately until machined or processed. Upon request by SARENS, machining waste from FREE ISSUE MATERIALS shall be returned to SARENS. The SUPPLIER shall be required to notify SARENS immediately of any faulty or insufficient quantity of material. FREE ISSUE MATERIALS made available by SARENS must be used exclusively for the execution of the PURCHASE ORDER placed by SARENS. They must neither be copied nor used for other purposes unless SUPPLIER has obtained SARENS' prior written approval.

6.2. If tooling and tool design is provided by SUPPLIER on the PURCHASE ORDER, it will be priced separately and when finished must be invoiced separately, unless otherwise agreed. If the cost of tooling and tool design is to be amortized and included in the unit price of goods being supplied under present and future PURCHASE ORDERS, then the invoice must state the total cost of the tooling, the number of units the tooling cost is to be amortized over, and the portion charged to past PURCHASE ORDERS as well as the portion charged to the current PURCHASE ORDERS. Tooling and tool drawings paid for by SARENS become SARENS' property and are to be used exclusively to perform SARENS' PURCHASE ORDERS unless otherwise expressly authorized in writing by SARENS. SARENS reserves the right to accelerate payment on tooling being amortized for the purpose of ownership.

6.3. Tooling and tool designs belonging to SARENS, independent of whether provided by SARENS or delivered by SUPPLIER, as well as FREE ISSUE MATERIALS, shall be at SARENS' disposal for any purpose, and the SUPPLIER agrees to deliver such tooling, tool designs and FREE ISSUE MATERIALS on request of SARENS at no expense, except however of shipping expenses. The tooling, tool designs and FREE ISSUE MATERIALS shall be insured by SUPPLIER against damage and loss, and the SUPPLIER agrees to be responsible for normal maintenance, storage, damage or loss of tooling while on consignment in his facility, at no expense to SARENS.

7. DATE OF DELIVERY AND CONSEQUENCES OF DELAYS

7.1. TIME IS OF THE ESSENCE. SUPPLIER shall deliver on agreed time. Early deliveries will not be accepted unless

expressly accepted in writing. SARENS shall be entitled to deduct arising cost thereof such as cost for storage etc. from the CONTRACT price. The date of delivery shall be deemed to have been met, if:

- a. for EX WORKS deliveries, readiness for dispatch of the SCOPE OF SUPPLY including all documents, has been announced to SARENS (department responsible for the CONTRACT) before expiry of the delivery date;
- b. in all other cases, the SCOPE OF SUPPLY, including all documents, has arrived at the place of destination and/or the performance of the services has been accepted by SARENS before expiry of the delivery date.

7.2. SUPPLIER shall provide SARENS with immediate notification of foreseeable delays in delivery, stating the reasons for the delay and the expected duration of the delay, regardless of whether the whole or part of the SCOPE OF SUPPLY is concerned. SUPPLIER is obliged to undertake at own costs all reasonable measures in order to prevent or remedy delays in delivery.

7.3. Except for cases of delayed delivery involving a genuine occurrence of an event of Force Majeure, SARENS shall be entitled pursue all claims provided by law, irrespective of whether the SUPPLIER has notified the delay to SARENS or the parties have agreed to liquidated damages.

7.4. Subject to section 7.3 above, if a fixed date has been agreed upon for the execution of the SCOPE OF SUPPLY, and if this date will not be observed due to reasons attributable to SUPPLIER or its subcontractors, then

- a. SARENS reserves the right to terminate the CONTRACT and to ask for the reimbursement of all advance payments made after having given SUPPLIER a last opportunity to fulfill its obligations. If SUPPLIER does not promptly return advance payment funds, then at SARENS' discretion, an interest charge of up to one percent (1%) per month and twelve percent (12%) per annum may be charged against any outstanding balance of advance payments. In addition SARENS may seek reimbursement for any related collections and attorneys' fees; or,
- b. SARENS reserves the right to ask the SUPPLIER to provide to SARENS with all work that has been completed in exchange for payment of the value of the work that is satisfactorily completed and provided to SARENS.

7.5. If the delivery date has not been met, and provided SARENS does not exercise its rights described in section 7.4 above, SUPPLIER shall pay liquidated damages for the delay in addition to the actual damages caused by the delay. These liquidated damages shall amount to one and a half percent (1.5 %) per full week of the purchase price for the entire SCOPE OF SUPPLY. The aggregate liquidated damages for delay shall not exceed nine percent (9%) of the entire purchase price. Liquidated damages paid shall be deducted from actual damages claimed by SARENS. The parties agree that quantifying losses arising from SUPPLIER's delay is inherently difficult insofar as delay may impact SARENS' reputation or require SARENS to provide non-monetary concessions to its own customer, and further stipulate that the agreed upon sum is not a penalty, but rather a reasonable measure of damages, based upon the parties' experience in the construction/crane industry and given the nature of the losses that may result from delay.

7.6. SUPPLIER shall not be entitled to use the non-arrival of essential documents, FREE ISSUE MATERIALS or other objects to be supplied by SARENS as a defense, unless the same had been demanded in good time from SARENS, or, if dates of delivery had been agreed, a reminder had been sent in due time to SARENS.

8. PACKAGING, SHIPMENT

8.1. Unless otherwise agreed upon, the SCOPE OF SUPPLY shall be shipped DDP to the place of destination. SUPPLIER shall be liable for suitable and appropriate packaging, protecting the goods against damage and corrosion during shipment, and, where applicable, any subsequent short term storage (i.e. up to a maximum of 60 days). Where special packaging is agreed, SARENS' packing instructions are required to be strictly observed. SUPPLIER shall be liable for damages due to improper packaging and/or failure to conform to SARENS' instructions.

8.2. SARENS reserves the right to return, for a refund, any part of the SCOPE OF SUPPLY which is damaged or corroded as a result of improper packing or SUPPLIER'S failure to observe specific packaging instructions. The cost of return shipment shall be absorbed by the SUPPLIER.

8.3. Where special care is required during unpacking, SUPPLIER shall notify SARENS about the specifics thereof in due course. In particular, a suitable and conspicuous warning shall be attached to the packaging.

9. COMPLIANCE WITH APPLICABLE LAWS

9.1. SUPPLIER warrants that it will comply with all applicable laws, statutes, rules, regulations or orders in the performance of the SCOPE OF SUPPLY, and shall provide all documents required for the export from the place of production and import to the place of end-use, such as but not limited to certificates of origin, export licenses, material safety data sheets, etc.

10. DELIVERY / EXPORT CONTROL

10.1. Partial deliveries and/or deliveries made prior to the agreed date of delivery shall not be permitted without SARENS' express prior written approval.

10.2. SUPPLIER undertakes to inspect the goods before shipment to ensure that they comply in terms of quality and quantity with the PURCHASE ORDER. Only material which has passed the inspection shall be delivered.

10.3. Each shipment has to include a detailed delivery note containing SARENS' special instructions or references, confirmation that an inspection has been performed, and in particular SARENS' PURCHASE ORDER number. For shipments to different delivery addresses, SARENS requires separate delivery notes.

10.4. Unless otherwise agreed upon, SUPPLIER shall provide duplicate copies of its invoice to SARENS. One copy shall be enclosed with the SUPPLIER'S shipment. A second invoice shall be marked as "COPY", and mailed to SARENS' billing address. Any costs caused by non-compliance shall be borne by the SUPPLIER.

10.5. All correspondence (letters, delivery notes, invoices etc.) must show SARENS' PURCHASE ORDER number, order date, the quantities specified in the order or in connection with a specific article or section, delivery notes also with indication

of gross and net weight. The delivery note must indicate delivery address according to the CONTRACT.

10.6. The SUPPLIER hereby represents and warrants that it is, and will remain, in compliance with the requirements of all applicable export laws and regulations, including but not limited to the U.S. Export Administration Regulations and International Traffic in Arms Regulations. Such requirements include, but are not limited to, obtaining all required authorizations or licenses for the export or re-export of any controlled item, product, article, commodity, software or technology. Without limiting the generality of the foregoing, the SUPPLIER hereby represents and warrants that it has not been, and is not currently, debarred, suspended or otherwise prohibited or restricted from exporting, re-exporting, receiving, purchasing, processing or otherwise obtaining any item, product, article, commodity, software or technology regulated by any agency of the Canada or any Province or country. The SUPPLIER shall indemnify and hold SARENS harmless against any costs, penalties, or other losses caused by, or related to, any violation or breach of the warranties contained in this provision.

11. TRANSFER OF OWNERSHIP AND RISK

11.1. Transfer of ownership shall take place at the time when the SCOPE OF SUPPLY or parts thereof have been finished. Between transfer of ownership and delivery, SUPPLIER will store the SCOPE OF SUPPLY without costs to SARENS and mark them as owned by SARENS. Furthermore, SUPPLIER undertakes to store and insure the SCOPE OF SUPPLY as if the ownership would not have been transferred.

11.2. Risk shall pass to SARENS at the time of arrival of the delivery at the agreed place of delivery.

11.3. Should the requested shipment documents not be supplied in accordance with the CONTRACT and/or SARENS' instructions, the goods shall be stored at the SUPPLIER'S charge and risk until arrival of the same.

12. TERMINATION FOR CONVENIENCE, CANCELLATION FOR DEFAULT

12.1. **Termination for Convenience.** Work may be terminated under the CONTRACT by SARENS at the sole discretion of SARENS in whole or in part at any time by written notice. In this case, SARENS shall reimburse the SUPPLIER'S actual and non-cancelable expenses, which it necessarily incurred for the appropriate execution of the CONTRACT until termination, all as determined by generally accepted accounting principles. Such reimbursable expenses shall not include the business profit, fixed overhead, royalties, development cost for serial machines and other similar cost of the SUPPLIER. In consideration of the payment made, SUPPLIER shall deliver or assign to SARENS any work in progress, and SARENS shall be entitled to use said work in progress at its own discretion.

12.2. **Cancellation for Default.** In the event SUPPLIER shall be adjudged bankrupt, make a general assignment for the benefit of its creditors or if a receiver shall be appointed on account of SUPPLIER'S insolvency, or in the event SUPPLIER is in default of any provisions or requirements under the CONTRACT, SARENS may, by written notice to SUPPLIER, without prejudice to any other rights or remedies which SARENS may have under the CONTRACT, cancel further performance by SUPPLIER under the PURCHASE ORDER. In the event of such cancellation, SARENS may complete the performance of the PURCHASE ORDER by such means as

SARENS selects, and SUPPLIER shall be responsible for any additional costs incurred by SARENS in so doing. SUPPLIER shall deliver or assign to SARENS any work in progress as SARENS may request and shall grant SARENS the right to use, or have used, all SUPPLIER documentation required for the completion of the SCOPE OF SUPPLY. Any amounts due to SUPPLIER for goods and services completed by SUPPLIER in full compliance with the terms of the CONTRACT prior to such termination shall be subject to set off of SARENS' additional costs of completing the PURCHASE ORDER and other damages incurred by SARENS as a result of SUPPLIER'S default.

13. INSPECTION, DRAWINGS, TEST CERTIFICATES, OPERATING INSTRUCTIONS, SPARE PARTS

13.1. SARENS or its representatives shall be entitled, with reasonable notice, to carry out inspections and ongoing examinations of the production or to reject faulty parts during manufacturing. Inspections or examinations shall not relieve SUPPLIER from its exclusive responsibility for the whole SCOPE OF SUPPLY. During the execution of the CONTRACT, SUPPLIER shall allow free access to the manufacturing plants as well as to those of its subcontractors during reasonable business hours.

13.2. SARENS' approval of any drawings, documents or the like shall not relieve SUPPLIER of its responsibility for the SCOPE OF SUPPLY.

13.3. The SUPPLIER shall provide to SARENS with final drawings, test certificates, maintenance and operating instructions, and spare parts' lists required for the proper maintenance of the SCOPE OF SUPPLY in the quantities and languages requested by SARENS.

13.4. If applicable, SUPPLIER undertakes to deliver to SARENS spare parts related to the SCOPE OF SUPPLY, at SARENS' request, within ten (10) years after acceptance as described in Article 14 hereof. Prices for spare parts shall be fair and equitable.

14. ACCEPTANCE, WARRANTY AND GUARANTEES

14.1. Unless otherwise agreed upon in writing, acceptance shall take place after delivery at the place of destination or after placing into operation, whichever occurs later. Payment for work in whole or part will not constitute acceptance.

14.2. SUPPLIER expressly warrants that the entire SCOPE OF SUPPLY covered by the CONTRACT will conform to the specifications, drawings, samples, performance guarantees, or any kind of description furnished by or specified by SARENS, and will be of merchantable and good material and workmanship and free from defects. SUPPLIER expressly warrants that the material covered by the CONTRACT will be fit and sufficient for the purpose specified. If certificates, test reports or similar documents form part of the agreed SCOPE OF SUPPLY, the data contained therein shall be deemed as warranted characteristics, even if such certificates etc. originate from the SUPPLIER'S subcontractors.

14.3. Unless otherwise agreed upon in writing, SUPPLIER expressly warrants that in executing the CONTRACT, SUPPLIER and the subcontractors have applied the principles of quality assurance according to the relevant ISO or equivalent standards. Quality records have to be safely archived for the period required by the applicable law for the respective goods, however not less than ten (10) years after acceptance as defined in Article 14.1 hereof.

14.4. Should SUPPLIER fail to meet the warranties or guarantees during the warranty and guarantee period, SUPPLIER shall at SARENS' option promptly remedy the defects at SARENS' facility, or at its customer's facility or site, or have the defects remedied at SUPPLIER'S costs by a third party. Should SUPPLIER fail to promptly remedy any defects or in case of emergency, SARENS shall be entitled to remedy the defects itself or cause them to be remedied by a third party, in each case at the SUPPLIER'S cost. If the replacement or repair of defective goods or services is not desired, SUPPLIER shall grant SARENS an adequate reduction of the CONTRACT price to reflect the value of the goods or services in their non-remedied state.

14.5. Following receipt, SARENS or its customers shall have a reasonable period of time to inspect the SCOPE OF SUPPLY or parts thereof. SARENS will promptly notify SUPPLIER of any defects that are discovered during inspection. SUPPLIER waives any claim that it has not been notified of a defect promptly.

14.6. Unless otherwise agreed in the CONTRACT, the warranty and guarantee period shall extend twenty-four (24) months from acceptance by SARENS.

14.7. Likewise, repaired or replaced goods shall be warranted and guaranteed for a period of the remainder of the original warranty period or twelve (12) months from acceptance by SARENS or putting into commercial operation of the repaired or replaced part(s) or material(s) (whichever period is longer) provided under the PURCHASE ORDER.

14.8. SUPPLIER shall replace or repair latent defects free of charge. Latent defects shall be defined as defects in material, workmanship or design which occur within 5 years from delivery of the SCOPE OF SUPPLY and which could not have been discovered during the warranty period.

14.9. Where substitute delivery is made, the items originally delivered to SARENS shall be left with SARENS for use free of charge until impeccable substitute delivery is ready for operation to SARENS. The same shall apply in case of whole or partial termination of the CONTRACT due to faulty supply.

14.10. In the event of disputes on quality parameters, an expert opinion will be obtained. Unless otherwise agreed upon in writing, the opinion of the Swiss Federal Laboratories for Materials Testing & Research (EMPA) will be requested. The parties undertake to accept the findings of the agreed expert or the EMPA as the case may be. The costs of the expert opinion will be borne by the party at fault.

15. WORK CARRIED OUT IN SARENS' FACILITY OR AT WORK SITE

15.1. If work is carried out in SARENS' or its customer's facility, or on construction or erection sites, these PURCHASE TERMS shall be supplemented by SARENS' or its customer's safety instructions and rules. Furthermore, SUPPLIER shall instruct its employees, consultants, etc. to comply with such instructions and rules.

16. INTELLECTUAL PROPERTY AND SECRECY

16.1. SARENS retains all intellectual property rights in all information provided to the SUPPLIER in connection with this CONTRACT, including but not limited to any documents, specifications, drawings, sketches, calculations, or models and intellectual property developed by the SUPPLIER based

on information supplied by SARENS. SUPPLIER will use these documents for the exclusive purpose of executing the CONTRACT. Without SARENS' prior written approval, SUPPLIER shall NOT be entitled to manufacture products based on these documents for third parties, or to copy such documents, or to make them known in whatever way to third parties, which are not directly involved in the execution of the CONTRACT or parts thereof. Upon demand, SUPPLIER shall return all information, including all copies or reproductions thereof, previously supplied by SARENS in connection with this CONTRACT. Notwithstanding the preceding, SUPPLIER however shall be entitled to retain one copy for legally or contractually required archiving purposes.

16.2. SUPPLIER warrants that the SCOPE OF SUPPLY and any component part thereof shall not infringe any intellectual property rights of third parties. In the event of any infringement relating to the SCOPE OF SUPPLY SUPPLIER shall procure the right to use the equipment without impairing its suitability, or modify or replace it to make the use by SARENS or its customer non-infringing.

16.3. SUPPLIER undertakes to provide SARENS all documents and information produced in connection with the SCOPE OF SUPPLY. SARENS shall have an unrestricted right to use said documents for the purposes of operation, maintenance, repair, training and enlargement of the SCOPE OF SUPPLY.

16.4. SARENS and/or its customer shall not be mentioned in any publications for advertising purposes without SARENS' prior written approval.

17. FORCE MAJEURE

17.1. SUPPLIER shall not be liable for any non-performance, loss, damage, or delay due to war, riots, fire, flood, strikes or labor difficulty, governmental actions, acts of God, acts of SARENS or its customer, delays in transportation, or other causes beyond the reasonable control of SUPPLIER. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended to reflect the length of time lost by reason of such delay. If the grounds for Force Majeure continue for more than thirty (30) calendar days, either SARENS or SUPPLIER may terminate the CONTRACT upon seven (7) days written notice to the other party.

17.2. SUPPLIER shall be entitled to compensation in case of termination for the work done prior to termination and the expenses for non-cancelable procurements. SUPPLIER shall deliver all work results part of the SCOPE OF SUPPLY that SARENS has paid for.

18. INDEMNITY

18.1. SUPPLIER agrees to defend, indemnify and hold harmless SARENS and its customers, employees, agents and subcontractors, against any loss, cost, damage or liability, including attorney's fees, arising from SUPPLIER'S negligence or other breach of duty, and those for whom the SUPPLIER is responsible in connection with the CONTRACT or the goods or services supplied hereunder.

18.2. In addition to the preceding, SUPPLIER shall indemnify SARENS and SARENS' customers for any and all loss, damage, expense, (including but not limited to attorney's fees) claims or liability arising out of any infringement or claim of infringement of any patent, trademark, copyright, trade secret or other proprietary interest based on the manufacture, installation, use, lease, or sale of any goods,

materials or services furnished to SARENS under this CONTRACT. SARENS shall notify SUPPLIER promptly of any such claim or infringement and SUPPLIER shall, at its own cost, defend, compromise, or settle, any such action or actions to satisfy and discharge the same without any cost or expense whatsoever to SARENS.

19. INSURANCE

19.1. SUPPLIER, at its own cost and expense, shall purchase and maintain during the terms of the CONTRACT policies of insurance sufficient to insure its obligations under this CONTRACT. All policies shall be placed with companies with an A.M. best rating of A- or higher.

19.2. At a minimum, SUPPLIER shall maintain the following:

- a. **WORKERS' COMPENSATION INSURANCE** which is in compliance with the jurisdiction where the SUPPLIER'S operations or work is conducted. If the work that is to be performed is subject to General Maritime Law, Death on the High Seas Act or the Jones Act, then endorsements must be provided to afford the applicable coverage.
- b. **EMPLOYER'S LIABILITY INSURANCE** with a minimum limit of \$1,000,000.00 covering SUPPLIER'S employees. If the work that is to be performed is subject to General Maritime Law, Death on the High Seas Act or the Jones Act, then endorsements must be provided to afford the applicable coverage.
- c. **COMMERCIAL GENERAL LIABILITY INSURANCE** with a minimum combined single limit of \$1,000,000.00 per occurrence for bodily injury or property damage liability. The SUPPLIER'S commercial general liability insurance shall include coverage for:
 - (i). Blanket Contractual liability.
 - (ii). Products and Completed Operations coverage.
 - (iii). Personal Injury coverage.
 - (iv). Premises/operations coverage.
 - (v). Explosion, blasting, underground damage and collapse coverage.
 - (vi). Coverage is to be written on an occurrence basis.
- d. **COMMERCIAL AUTOMOBILE LIABILITY INSURANCE** with a minimum combined single limit of \$1,000,000.00 per occurrence for bodily injury or property damage liability covering all owned, non-owned and hired vehicles.
- e. **EXCESS (UMBRELLA) LIABILITY INSURANCE** with a minimum coverage of not less than \$5,000,000.00 million per occurrence in excess of the SUPPLIER'S "Employer's Liability", "Commercial General Liability" and "Commercial Automobile Liability" coverages specified above.

19.3. **General Insurance Requirements**

- a. All insurance provided by SUPPLIER shall be primary coverage to any insurance maintained by SARENS.
- b. SARENS and its officers, agents, and employees shall be specified as Additional Insureds under all policies required above with the exception of the SUPPLIER'S Workers' Compensation and Employer's Liability coverages.
- c. Each policy required above shall contain an endorsement to the effect that the insurer agrees to waive all rights of subrogation against SARENS and its officers, agents, and employees for losses arising from activities or operations performed by SUPPLIER or its respective employees or agents involved in the performance of this CONTRACT or any project to which this CONTRACT relates.

- d. SUPPLIER shall furnish SARENS with certificates of insurance evidencing coverage for each the types of insurance specified above.
- e. Each certificate shall contain a provision stating the issuing company will provide SARENS with thirty (30) days prior written notice in event of cancellation or material change in the insurance.

20. MISCELLANEOUS

20.1. Applicable Laws and Jurisdiction. The CONTRACT is construed and shall be interpreted in accordance with the laws of the Province of Alberta, Canada, without regard to its conflict of laws rules and principles. SARENS and SUPPLIER expressly agree that the U.N. Convention for International Sale of Goods (Vienna Convention) shall not apply to this CONTRACT.

Nothing contained in these PURCHASE TERMS shall limit the rights of SARENS available under the applicable law.

In case of a dispute, the parties shall make their best efforts to resolve such dispute amicably. If an amicable resolution should not be possible, SUPPLIER consents and submits to the exclusive jurisdiction of the courts of the Province of Alberta, sitting in Edmonton, Alberta in any and all actions and proceedings between the Parties (whether at law or equity) and irrevocably agrees to service of process by courier or certified mail, return receipt requested, postage prepaid, at SUPPLIER'S address set forth above or as may hereafter be given to SARENS in writing by certified mail, return receipt requested, actually received by SARENS. The

IN WITNESS WHEREOF, this CONTRACT has been read, acknowledged, and accepted by the Parties and shall be effective as of the date provided in the PURCHASE ORDER.

Parties each individually recognize and acknowledge that this Agreement was negotiated and entered into in Edmonton, Alberta. **EACH PARTY IRREVOCABLY WAIVES ITS RIGHTS TO CHALLENGE THE JURISDICTION OF THE COURTS IN THE PROVINCE OF ALBERTA AND, IF APPLICABLE, ITS RIGHT TO REQUEST A TRIAL BY JURY IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS RELATING TO ITS SUBJECT MATTER.**

20.2. Assignment. Any attempt to assign, transfer, or delegate any of the rights, duties or obligations herein to a third party without prior written consent of the other party shall render such attempted assignment or transfer null and void. SARENS' affiliated companies shall not be considered third parties for this purpose.

20.3. Waiver of Rights. SARENS' or SUPPLIER'S failure to exercise any of its rights shall not constitute or be deemed a waiver or a forfeiture of such rights.

20.4. Severability. If a provision of the CONTRACT is determined to be void or unenforceable, this finding shall not render other provisions void or unenforceable, and SARENS and SUPPLIER shall make their best endeavors to replace such provision by a valid one covering the original commercial intention as far as legally possible.