

STATEMENT OF WORK TERMS AND CONDITIONS

STATEMENT OF WORK – South Island Prosperity Project (SIPP) Statement of Work (SOW) number(s) must appear on all invoices, progress billing, packing slips, containers, packages and correspondence.

APPLICATION OF TERMS AND CONDITIONS – Unless superseded by other related documents and agreements, these Terms and Conditions are included in our SOW document and will apply to and be binding on the Vendor of any goods and services to SIPP.

COMPLETE AGREEMENT - The statement of work, including the following terms and conditions, the specifications hereto and any additional terms and conditions incorporated into and attached hereto, shall constitute the entire agreement between the parties for the goods and/or services covered by the SOW. No revisions or modifications of the terms of the SOW shall be binding on the South Island Prosperity Project (“SIPP”) unless given in writing by an authorized employee of SIPP and confirmed by an official Change Order to the SOW. The following terms and conditions shall apply unless contrary terms and conditions exist as previously agreed to in the contract documents or competitive bid documents.

F.O.B. DESTINATION – Unless otherwise agreed to in writing, all delivered terms are to be F.O.B. destination (freight prepaid). All other freight charges are to be prepaid and charged on the invoice. If cash discount is not permitted on freight charges, then specific notation of this must be shown on the invoice.

FIRM PRICES - Prices shown on this SOW are firm and not subject to escalation unless otherwise noted. **PAYMENT** - SIPP shall pay the SOW within 30 calendar days after delivery of a proper and complete invoice and acceptance of the goods and/or services.

TIME IS OF THE ESSENCE –Time is of the essence.

MATERIALS AND WORKMANSHIP – The vendor represents, warrants and guarantees that the work is, and will be, free from all defects arising from faulty construction, manufacturing, installation, materials or workmanship in any part of the work/equipment and/or materials being supplied which appear within the longer of 12 months from the date of:

- acceptance - for materials/equipment, or
- commencement of use - for construction and other services, or such other period specified in the contract documents.

DESIGN – The vendor represents, warrants and guarantees that the work/materials and/or equipment are, and will be, free from all defects arising at any time from faulty design or application in any part of the work/materials and/or equipment that has been provided by the vendor.

CONFIDENTIALITY – The contents of this SOW and any information pertaining to SIPP, its customers, or individuals, which is obtained by the vendor as a result of the work, is confidential and must not be disclosed without prior written authorization from SIPP.

GOVERNING LAW – This SOW will be governed by and be in accordance with the laws of the Province of British Columbia.

COMPLIANCE WITH ENVIRONMENTAL LAWS - The vendor shall comply, and cause any other person acting under its authority or control to comply, in all material respects, with all environmental laws (including, but not limited to, obtaining any required permits or similar authorities) relating to the work/materials and/or equipment being supplied.

PATENT AND COPYRIGHT INFRINGEMENT - The vendor shall indemnify and hold SIPP harmless against all claims, liabilities, losses, damages, judgements, awards and costs (including reasonable legal fees and expenses) incurred in the defence of any claim brought against SIPP by third parties alleging that SIPP's use of any vendor supplied equipment, materials, software, and documentation infringes upon or misappropriates any patent, copyright, or trade secret rights.

INSPECTION – If, upon inspection of the goods received, any departure from the specifications is revealed, the entire shipment may be rejected and returned at the vendor's expense and this SOW may be cancelled without cost to or further obligation on the part of SIPP.

WORK PRACTICES AND PROCEDURES - The work of this SOW must satisfy all Federal, Provincial and Municipal legislation and guidelines and must be in compliance with all Ministry of Labour and/or Workers' Compensation Board (WCB) regulations respecting work practices and procedures.

PRIOR CONSENT TO ASSIGN – This SOW, or any part of it, or any benefit or interest in it, shall not be assigned by the vendor without the prior written consent of SIPP and shall be deemed not to be an asset of the vendor in the event of bankruptcy.

TERMINATION OF CONTRACT – SIPP reserves the right to cancel the SOW, by giving written notice, if, in the opinion of the CFO, the services or equipment/materials being provided by the vendor fail to meet the needs of SIPP.

FORCE MAJEURE - The vendor shall not be liable for any excess costs if failure to perform is due to strike or lockout beyond the control of the vendor, or Acts of God. SIPP shall not be liable where work sites are not available due to strike or lockout beyond the control of SIPP, or Acts of God.

INDEMNIFICATION - The vendor shall indemnify and save harmless SIPP and its management team, and staff from and against all claims, demands, proceedings, suits, losses, damages, costs and expenses of whatsoever kind or nature (including but not limiting the generality of the foregoing, in respect of death, injury, loss or damage to any person or property) arising in any way out of or connected with the work/materials and/or equipment supplied by the vendor under this SOW, except to the proportionate extent that such actions, claims, demands, proceedings, suits, losses, damages, costs and expenses were caused by the fault of the indemnified parties or any of them.