

# Standard Terms and Conditions of Sale For

Peerless Limited  
575 Page Avenue  
Penticton, British Columbia, Canada  
V2A 6P3

## 1. GENERAL

The sale of goods and provision of services by the companies listed above, collectively and individually known as “**PEERLESS LIMITED**”, are subject to the following STANDARD TERMS AND CONDITIONS OF SALE. The purchaser of the goods and services shall be hereinafter referred to as PURCHASER. Upon the date of PEERLESS LIMITED receipt of PURCHASER’s written acceptance of PEERLESS LIMITED’s offer, PURCHASER and PEERLESS LIMITED shall be deemed on such date to have entered into a legally binding and enforceable agreement for the purchase and sale of the goods and services described therein and, together with these STANDARD TERMS AND CONDITIONS OF SALE, shall constitute the “Agreement”. As to PURCHASER and PEERLESS LIMITED, respectively, “**Related Parties**” shall mean such party’s officers, directors, employees, agents, contractors, and designers.

NOTWITHSTANDING THE TERMS AND CONDITIONS CONTAINED IN ANY OTHER AGREEMENT, NO TERMS AND CONDITIONS CONTAINED IN ANY PURCHASE ORDER PLACED WITH PEERLESS LIMITED, OTHER THAN THOSE STATED HEREIN, SHALL BE BINDING ON PEERLESS LIMITED, UNLESS HEREAFTER MADE IN WRITING, SPECIFICALLY REFERRING TO THE MODIFIED TERMS AND CONDITIONS AND SIGNED BY AN AUTHORIZED OFFICER OF PEERLESS LIMITED. IN ALL OTHER EVENTS THESE STANDARD TERMS AND CONDITIONS OF SALE SHALL GOVERN ANY PURCHASE ORDER PLACED WITH PEERLESS LIMITED.

THESE STANDARD TERMS AND CONDITIONS OF SALE WILL SUPERSEDE AND GOVERN ALL AGREEMENTS BETWEEN THE PARTIES RELATIVE TO THIS TRANSACTION, AND THERE IS NO AGREEMENT COLLATERAL HERETO (WHETHER ENTERED INTO BEFORE OR AFTER THE PURCHASE ORDER IS PLACED WITH PEERLESS LIMITED) OR ANY REPRESENTATION OR WARRANTY WHICH SHALL BE BINDING UPON PEERLESS LIMITED UNLESS SIGNED BY AN AUTHORIZED OFFICER OF PEERLESS LIMITED.

## 2. PURCHASER ACKNOWLEDGEMENT

PEERLESS LIMITED reserves the right to require an authorized representative of the PURCHASER to provide to PEERLESS LIMITED such written evidence as an authorized representative of PEERLESS LIMITED may reasonably require acknowledging to PURCHASER’s acceptance of these STANDARD TERMS AND CONDITIONS OF SALE. Notwithstanding that no such

written evidence is provided, these STANDARD TERMS AND CONDITIONS OF SALE shall constitute part of the Agreement.

## 3. VALIDITY

PEERLESS LIMITED’s quoted prices for goods and services are valid only for the time period stated in PEERLESS LIMITED’s written quotation.

## 4. DELIVERY OF GOODS

PEERLESS LIMITED’s goods and services are supplied in accordance with INCOTERMS 2010, and risk of loss shall pass accordingly. Title to the goods shall pass at the same time that risk passes to the BUYER. PEERLESS LIMITED has sole discretion to determine the factory location for the provision of the goods and services. Actual delivery time will be subject to availability of manufacturing capacity at the date of the Agreement. Claims for any damage, shortage or loss in transit of goods supplied by PEERLESS LIMITED must be made by PURCHASER to the carrier.

## 5. PAYMENT TERMS

Unless otherwise specified in the Agreement the following shall apply:

- PEERLESS LIMITED may require deposits, letters of credit or down payments at time of placement of order as specified in the Agreement. No interest or other amounts will be required to be accrued or paid by PEERLESS LIMITED to PURCHASER in connection with such advance payments. All deposits are considered nonrefundable unless order is cancelled by PURCHASER within one (1) week of the date of the Agreement.
- All letters of credit will be irrevocable, confirmed and drawn against a banking facility pre-approved by the PEERLESS LIMITED. All letter of credit charges are responsibility of PURCHASER.
- PURCHASER agrees to pay all applicable taxes.
- Payment in full is required prior to delivery of goods or provision of services by PEERLESS LIMITED. Payments are to be made by wire transfer unless otherwise indicated in the Agreement.

In the event credit is applied for and granted to PURCHASER, terms and credit limits shall be established in the Agreement. All amounts beyond set credit limits will be paid in full by PURCHASER prior to delivery. Payments

for amounts within set credit limits are due in full from PURCHASER within thirty (30) days from the date goods are shipped or services are provided by PEERLESS LIMITED, without setoff or deduction for any reason whatsoever.

## 6. REMEDY FOR FAILURE TO PAY

If the full payment is not received by PEERLESS LIMITED within thirty (30) days after (i) notification of availability of goods for shipment or (ii) invoice for payment is sent by PEERLESS LIMITED, PEERLESS LIMITED may, in its sole discretion, charge interest at the rate of 18% per annum on unpaid amounts, calculated and compounded monthly, not in advance, until paid in full. The PURCHASER also agrees to pay all reasonable legal expenses and agency commissions sustained by PEERLESS LIMITED in pursuit of any payment which is past due, on a full indemnity basis. The remaining balance, plus all accrued interest, must be paid before PEERLESS LIMITED will ship any goods or provide any services to PURCHASER. Should PURCHASER fail to deliver the remaining payment balance owed, plus the accrued interest within ninety (90) days after notification, PEERLESS LIMITED reserves the right to sell the goods and seek any and all damages.

## 7. CANCELLATION

Should PURCHASER cancel its order with PEERLESS LIMITED within one (1) week following the date of the Agreement, PEERLESS LIMITED will refund any deposit or down payment. If PURCHASER cancels its order after one (1) week following the date of the Agreement, PURCHASER agrees that PEERLESS LIMITED may retain all, or any portion thereof, of the deposit or down payment based upon the material and labor utilized to the time of cancellation as determined by PEERLESS LIMITED in its sole discretion. PEERLESS LIMITED shall invoice for any cancellation, and the PURCHASER will pay PEERLESS LIMITED's invoice within thirty (30) days from date of cancellation, plus all reasonable cancellation charges due to the PEERLESS LIMITED for an amount not to exceed 100% of the total quoted purchase price based upon material and labor utilized up to the time of cancellation.

## 8. FORCE MAJEURE

Neither party shall be liable for any failure or delay in performance under the Agreement (other than for delay in the payment of any amount due and payable including accrued interest prior to the date of the Force Majeure, as hereafter defined) to the extent such failure or delay is caused by reasons of force majeure beyond that party's reasonable control and not caused by that party's fault or negligence ("Force Majeure") including, but not limited to, the occurrence of natural disasters such as earthquakes, hurricanes and floods, the occurrence of war, riot, acts of terrorism or other major upheaval, the imposition of trade sanctions or trade embargoes (including denied and sanctioned parties), the failure of suppliers, subcontractors, and carriers, and/or other necessary parties to substantially meet that party's performance obligations under the Agreement. As a condition precedent to the non-performing party's claim of Force Majeure, the non-performing party

must give written notice to the other party, within five (5) days after the Force Majeure, and provide complete details in respect of the occurrence of the cause relied upon to excuse performance. The dates by which performance obligations are scheduled to be met will be extended for that period of time which is equal to the time lost due to any delay caused by the Force Majeure. If a Force Majeure event occurs while PEERLESS LIMITED is providing service work at a PURCHASER location, then PEERLESS LIMITED will be paid at its then applicable technician stand-by rates during any such Force Majeure event. PEERLESS LIMITED shall submit its invoice for the payment of such charges which shall be paid within thirty (30) days from the date of such invoice. The failure to pay for such charge shall release PEERLESS LIMITED from any further performance obligation under the Agreement. If the Force Majeure event extends for a period of more than forty-five (45) days, PEERLESS LIMITED has the right to terminate the Agreement and cancel the order and in that event, PEERLESS LIMITED will refund any deposit or down payment after deducting the expenses that have been incurred by PEERLESS LIMITED up to the date of receipt of notice by PEERLESS LIMITED of the Force Majeure event, as determined by PEERLESS LIMITED in its sole discretion.

## 9. LIMITED WARRANTY

Unless otherwise specified in writing in the Agreement, PEERLESS LIMITED warrants its goods to be free from defects in materials and workmanship for a period of one (1) year from date of shipment from PEERLESS LIMITED's factory location. Should any part of such goods be found, under normal use and service during the warranty period to be defective, PEERLESS LIMITED will repair or replace such goods at its factory location, provided such defective product or part is returned to that location by the PURCHASER on a prepaid freight basis, that the PEERLESS LIMITED return material authorization number, invoice number and PURCHASER'S purchase order number are noted on the shipping container and that inspection of the original goods establishes the claim defect to the satisfaction of the PEERLESS LIMITED in its sole discretion. The warranty shall not apply to goods upon which repairs or alterations have been made (unless authorized by PEERLESS LIMITED in writing) or for goods misused, neglected and/or incorrectly installed, operated or maintained.

PEERLESS LIMITED provides no warranty with respect to components manufactured by others which are subject to the warranties of their respective manufacturers that are used in PEERLESS LIMITED's goods or sold by PEERLESS LIMITED. Should any such component, provided by PEERLESS LIMITED, fail within the manufacturer's warranty period, such component must be returned to PEERLESS LIMITED by the PURCHASER on a prepaid freight basis in accordance with PEERLESS LIMITED's Return Policy (paragraph 11 below) so it can be returned to the original component manufacturer's facility for evaluation and disposition.

Any good that is repaired by PEERLESS LIMITED is warranted to be free from defects in materials and

workmanship for a period of ninety (90) days from the date of completion of repair or the remaining portion of the original one (1) year warranty, whichever is longer. The warranty shall not apply to goods upon which repairs or alterations have been made (unless authorized by PEERLESS LIMITED) or for goods misused, neglected and/or incorrectly installed or operated.

On-site warranty service may be provided by PEERLESS LIMITED upon request by PURCHASER, and subject to conditions contained in section 10 below, during the original one (1) year warranty period for PEERLESS LIMITED's goods which cannot be returned by the PURCHASER to PEERLESS LIMITED'S designated service location due to logistical or financial reasons acceptable to PEERLESS LIMITED. PURCHASER will be responsible for all normal travel and living expenses incurred by PEERLESS LIMITED's technicians during any warranty service call and all costs associated with the transportation, taxes, duties and importation costs of all replacement components. PURCHASER will also be responsible for the transportation, importation and exportation expenses associated with any special tools required for this warranty work. PURCHASER will not be responsible for daily service charges associated with on-site repairs which are determined by PEERLESS LIMITED to be a covered warranty defect. Daily service charges for repairs determined by PEERLESS LIMITED to be the result of misuse, neglect, modification or incorrect installation or operation will be the responsibility of PURCHASER.

PEERLESS LIMITED's liability and PURCHASER's sole remedy under this warranty is limited to such repair or replacement subject to the conditions stated herein, and no allowance will be made for repairs, replacements and/or alterations unless made with PEERLESS LIMITED's prior written approval. **THE WARRANTIES CONTAINED HEREIN ARE THE SOLE AND EXCLUSIVE WARRANTIES, AND PEERLESS LIMITED HEREBY DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.** To the extent that any provision of this warranty is found to be unenforceable in any jurisdiction, then in that event, such provision shall be considered to be of no force or effect but the remainder of the warranty shall not be affected thereby.

## 10. FIELD SERVICE SUPPORT

PEERLESS LIMITED may provide qualified technicians to provide field service support for final installation, commissioning, training and required service regardless of whether such work is determined by PEERLESS LIMITED to be warranty work. PEERLESS LIMITED reserves the right to decline to provide field service support upon request if qualified technicians are unavailable or if logistical issues and/or if geopolitical situations may, in PEERLESS LIMITED's discretion, jeopardize the personal safety of PEERLESS LIMITED's personnel. When technicians are dispatched to provide field service support, PURCHASER agrees to provide a purchase order for the amount of the estimated service costs, paid within thirty (30) days from invoice, in respect of all PEERLESS LIMITED's charges,

including the prevailing daily service charges, mileage charges, normal travel and living expenses from the time that PEERLESS LIMITED's technician leaves PEERLESS LIMITED's designated point of origin until the time that the technicians return to the point of origin. All such charges which exceed PURCHASER's approved available credit limit at the time of any field service call, must be prepaid to PEERLESS LIMITED by PURCHASER before mobilization. PEERLESS LIMITED shall have no obligation to supply such technician until such charges are paid, unless alternative terms or credit limits determined by PEERLESS LIMITED are established. Any parts which are deemed by PEERLESS LIMITED's technicians to be defective in material or workmanship will be provided free of charge to PURCHASER during the warranty term as stated above; however, PURCHASER will be responsible for all transportation and importation costs associated with these components. Reimbursement to PURCHASER by PEERLESS LIMITED for any excess prepaid costs, or for costs of parts replaced under warranty, will be made to PURCHASER within thirty (30) days from the date of PEERLESS LIMITED's technician return to PEERLESS LIMITED's designated point of origin or the date of receipt of the defective parts in the PEERLESS LIMITED's designated location, whichever is later.

When PEERLESS LIMITED provides field services support for final installation, commissioning and training PURCHASER'S personnel for certain goods (including bucking units), PURCHASER will be responsible for providing utilities, materials and labor to prepare the site for installation and pre-install goods in accordance with PEERLESS LIMITED's written requirements. Failure of PURCHASER to complete these responsibilities prior to the arrival of PEERLESS LIMITED's service personnel will result in additional charges and/or delays in completion of final installation and commissioning. If required, PURCHASER is to provide a technical translator familiar with the English language and in particular, familiar with oilfield industrial or transportation terminology to facilitate this process. Should the stay of PEERLESS LIMITED's service personnel be extended as a result of causes beyond the control of PEERLESS LIMITED or PEERLESS LIMITED's personnel, PURCHASER agrees to reimburse PEERLESS LIMITED for those documented expenses in excess of the pre-paid estimated or approved available credit limit amount within fourteen (14) days from invoice. PEERLESS LIMITED may, in its sole discretion, charge interest at the rate of 18% per annum on unpaid amounts, calculated and compounded monthly, not in advance until paid in full. PURCHASER also agrees to pay all reasonable legal expenses and agency commissions sustained by PEERLESS LIMITED in pursuit of any payment which is past due, on a full indemnity basis.

## 11. RETURNS

PEERLESS LIMITED's return policy is independent from PEERLESS LIMITED's warranty and service policies. PEERLESS LIMITED must authorize, in writing, any returns before any return will be considered by PEERLESS LIMITED for any refund. Goods returned without prior written authorization by PEERLESS LIMITED

will not be accepted. PEERLESS LIMITED return material authorization number, invoice number and PURCHASER'S purchase order number must be noted on the shipping container and all supporting documentation accompanying any authorized return shipment. Returns will be accepted only on new, unused, and/or standard stock goods returned within thirty (30) days of the date of the Agreement. PURCHASER must return goods on a freight prepaid basis. PEERLESS LIMITED may, in its sole discretion, accept for return other items such as custom made goods, special order goods or goods requiring special processing. If PEERLESS LIMITED decides to accept for return such goods, PEERLESS LIMITED may charge PURCHASER a restocking fee in order to do so. Electrical or electronic goods will not be accepted for return unless such goods fail to meet specifications or were shipped in error. A credit memo will be issued for those items determined by PEERLESS LIMITED to be in compliance with this return policy. A credit memo will be issued for original freight charges only in those cases where the goods were defective, were shipped incorrectly and/or failed to perform as specified.

## 12. CHANGES

Any requests for changes to the order for goods or services after the date of the Agreement will not be effective unless accepted in writing by both parties. Any request for changes must be initiated by the party seeking the change in the form of a written notice of such request. The request for such change can be for one or more of the following: (1) the goods (2) the specifications, drawings, designs or other such technical criteria; (3) field service needs; (4) goods quantities; (5) delivery dates; and (6) method or location of delivery. Notwithstanding the foregoing, PEERLESS LIMITED expressly reserves its right to change, discontinue and/or modify the design and manufacture of its goods without obligation to furnish, retrofit or install goods previously or subsequently sold.

## 13. CONFIDENTIAL INFORMATION, TECHNOLOGY AND PROPRIETARY RIGHTS

The parties acknowledge that certain confidential information may be exchanged in the course of executing this Agreement and that all aspects of all discussions and materials exchanged will be treated as confidential and will not be disclosed to any third parties, except as permitted herein. Both parties agree to protect the other parties' confidential information by not discussing, disclosing, copying and/or distributing this information to any employee who is not actively involved in the project. Furthermore, the terms of employment for employees involved in this project must include an agreement to protect the confidentiality of both parties' confidential information. Examples of confidential information include, but are not limited to, bids or proposals, methods of manufacturing, engineering or manufacturing drawings, specifications and tolerances, operating procedures and processes, test reports, test methods, control systems, computer programs and instructions and similar information which is not available (or should not be made available) to competitors. Both parties agree to specifically label all confidential information as such. No written information shall be regarded as

confidential information if it is not labeled or if it can be shown that such information: 1) is already in the public domain; 2) is already known to the other party; 3) is independently developed by the other party; 4) is disclosed by a third party through no fault of either party; and 5) is required by either party to be disclosed under applicable law or by a court of competent jurisdiction.

Any confidentiality obligation imposed by this agreement may be waived by written agreement of the parties. The parties acknowledge that their respective obligations hereunder will survive termination for a period of five (5) years after the effective date of termination of this Agreement. Within thirty (30) days after the effective date of termination of this Agreement, all written confidential information belonging to the other party will be returned or destroyed.

To the extent necessary to obtain subcontractor bids, to present design proposals to qualified customers, or to obtain governmental or regulatory body assessment/ approval, PEERLESS LIMITED is permitted to supply select portions of the confidential information to such third parties. Any such disclosure shall be reviewed and approved in writing by PURCHASER. Submissions of confidential information to third parties must be made under a signed confidentiality agreement prohibiting unauthorized disclosure, reproduction in any form, distribution or use of such information. Third parties are required to agree to return all confidential information upon request.

Both parties agree that the other party currently possesses certain core technology and proprietary rights to ideas, goods and processes related to their own area of expertise and business. Technology includes, but is not limited to, confidential and proprietary information developed by either party concerning their own existing or proposed goods and services, trade secrets and technical data. Proprietary rights include, but are not limited to, existing and proposed goods or methods which are covered by issued patents, pending patents or which are under review or development. The Agreement does not transfer the rights to one party's technology or proprietary rights to the other party or permit use of such rights except as expressly permitted by the Agreement. All documents, drawings, specifications, procedures, processes, methods and systems, which are developed by one party and supplied to the other party will remain the property of the originating party. Both parties agree not to design or build identical or similar goods either in part or in whole for any third party or for their own use using the other party's technology or proprietary rights.

## 14. INDEMNIFICATION FOR PATENT INFRINGEMENT

PURCHASER agrees to indemnify PEERLESS LIMITED, in respect of all losses, claims, damages, costs and expenses, including legal expenses on a full indemnity basis, arising out of patent infringement claims arising from modifications made by PURCHASER to PEERLESS LIMITED's goods unless such modification has been approved by PEERLESS LIMITED in writing.

## 15. INSURANCE

Both parties agree to maintain adequate insurance to support each party's obligations under this Agreement. Upon written request by one party, the other party shall furnish to the requesting party certificates of insurance to evidence that adequate insurance is in place and is in full force and effect.

## 16. COMPLIANCE WITH ANTI-CORRUPTION LAWS

PURCHASER represents and warrants, in connection with the transactions contemplated by this Agreement, and any other agreement contemplated by or entered into pursuant to this Agreement, that it shall take no action, directly or indirectly, that would constitute a violation of the United States Foreign Corrupt Practices Act, Canadian Corruption of Foreign Public Officials Act, United Kingdom Bribery Act or any other applicable anti-bribery or anti-corruption law, convention or regulation (collectively, "anti-corruption laws"). PURCHASER acknowledges and confirms that it and its officers, directors, employees, agents, contractors, designees and/or any other party acting on its behalf (collectively, "Related Parties") are familiar with the provisions of the anti-corruption laws. PURCHASER hereby agrees to indemnify, defend and hold harmless PEERLESS LIMITED and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by PURCHASER or any of its Related Parties of this paragraph. PEERLESS LIMITED reserves the right to terminate the Agreement in its entirety, without liability to PURCHASER, if PEERLESS LIMITED has a good faith basis for believing PURCHASER or any of its Related Parties has violated or intends to violate any country's anti-corruption laws.

## 17. COMPLIANCE WITH EXPORT RESTRICTIONS

PEERLESS LIMITED's products may be subject to the export control laws of the United States, Canada or other countries where its products are sold. PURCHASER acknowledges that it will comply with all such laws and regulations, and obtain all licenses to export, re-export or import PEERLESS LIMITED's products as may be required. PURCHASER will not, without first obtaining any necessary licenses, export or re-export any of PEERLESS LIMITED's products, proprietary information or related technical data: (i) for any prohibited end uses; (ii) to any prohibited destinations; or (iii) to any individuals or entities that are presently on any denied party lists. Diversion contrary to U.S. law is prohibited.

PURCHASER agrees to assist PEERLESS LIMITED in obtaining any necessary export licenses or end-use statements for PEERLESS LIMITED's goods or services required for PEERLESS LIMITED to deliver its goods and services to PURCHASER. PEERLESS LIMITED shall not be liable to PURCHASER for any failure to provide goods, services or technical data as a result of any of the following governmental actions: (1) refusal to grant export or re-export licenses; or (2) cancellation of export or re-export licenses. PEERLESS LIMITED reserves the right to not ship the goods or services and terminate the Agreement in its entirety,

without liability to PURCHASER, if PEERLESS LIMITED has a good faith basis for believing PURCHASER or any of its Related Parties has violated, or intends to violate, any country's export regulations. PURCHASER hereby agrees to indemnify, defend and hold harmless PEERLESS LIMITED and its employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by PURCHASER or any of its Related Parties of this Section 17.

## 18. INDEMNITY

PURCHASER shall release, indemnify, defend and hold harmless PEERLESS LIMITED and its Related Parties from and against all losses, causes of action, liability, claims, demands, damages, judgements, awards, costs or expenses (including our legal fees and expenses on a solicitor-client basis) for (i) damage to property or injury (including death) to any person whatsoever, including without limitation to PURCHASER, its Related Parties, any of its or their customers, contractors or suppliers, arising from the purchase of PEERLESS LIMITED's goods or services, or arising from or in any way related to PURCHASER's use or operation of the goods or services, **REGARDLESS OF THE CAUSE INCLUDING WITHOUT LIMITATION, THE NEGLIGENCE OR STRICT LIABILITY OF, OR BREACH OF CONTRACT, WARRANTY OR DUTY BY PEERLESS LIMITED OR ITS RELATED PARTIES**; and (ii) for any breach of any of the terms and conditions of this Agreement by PURCHASER.

## 19. CONSEQUENTIAL DAMAGES WAIVER

Notwithstanding anything contained in this Agreement to the contrary, PEERLESS LIMITED shall not, in any event, be liable for any special, incidental, consequential or indirect damages, loss of profits or revenues, or for any claims, damages, costs or expenses (including legal expenses) or delay caused by defective material or workmanship (all of the foregoing collectively "Consequential Damages") and PURCHASER hereby releases the PEERLESS LIMITED from all such Consequential Damages, **REGARDLESS OF HOW SUCH CONSEQUENTIAL DAMAGES ARE CAUSED, INCLUDING WITHOUT LIMITATION THE NEGLIGENCE OR STRICT LIABILITY OF, OR BREACH OF CONTRACT, WARRANTY OR DUTY BY PEERLESS LIMITED OR ITS RELATED PARTIES.**

## 20. WAIVER

The failure of either party to enforce any provision hereof will not constitute a waiver or preclude subsequent enforcement thereof. Waiver by a party of any breach of these provisions shall not be construed as waiver of any other breach.

## 21. SEVERABILITY

The fact that a provision contained herein is held invalid, illegal or unenforceable by a court of competent jurisdiction will not affect the other provisions hereof.

## 22. GOVERNING LAW

This Agreement shall be governed by the laws of British Columbia, Canada. Each party hereby irrevocably submits itself to the jurisdiction of the courts of British Columbia, and waives any objection it may now or hereafter have to the placing of venue in any such courts and any right to remove any such action or proceeding to another court.

## 23. LEGAL EXPENSES

In the event it is necessary for any party to enforce any provision of the Agreement, then in that event, the prevailing party shall be entitled to recover reasonable legal expenses on a full indemnity basis.

## 24. NOTICES

All notices required or permitted to be given hereunder must be in writing and shall be deemed effectively given when received or, if not received, when deposited with the post office as certified mail, return receipt requested, to the address of the party as contained in the Agreement, or as otherwise provided by either party upon notice to the other party.

## 25. SCOPE OF GOODS AND SERVICES TO BE PROVIDED

PEERLESS LIMITED will provide to PURCHASER the goods and/or perform services as described in and subject to the terms and conditions of this Agreement which may be amended or modified by supplementary change orders agreed to by both parties in such event, the goods and/or services to be provided shall be deemed to include the goods and/or services described in such supplementary change orders.

PEERLESS LIMITED will provide such resources and utilize such employees and/or third party consultants as it deems necessary to provide the goods and services. The manner and means used by PEERLESS LIMITED to perform the services desired by the PURCHASER are in the sole discretion and control of PEERLESS LIMITED. PEERLESS LIMITED shall use commercially reasonable efforts to meet the schedules and times of performance for the services as set forth in the Agreement.

PURCHASER agrees to provide PEERLESS LIMITED with such information, materials, and technology owned or controlled by PURCHASER as PEERLESS LIMITED reasonably requires to provide the goods and services. PURCHASER hereby grants PEERLESS LIMITED a royalty-free, non-exclusive, world-wide license to use PURCHASER's technology, and all PURCHASER intellectual property rights covering such PURCHASER's technology solely in order for PEERLESS LIMITED to provide the goods and services during the term of and in accordance with the Agreement. PURCHASER agrees to obtain for PEERLESS LIMITED the right to use, for the purpose of providing the goods and services, such third party information, materials and technology, and any intellectual property rights therein, as PEERLESS LIMITED reasonably requires in order to provide the goods and services.

PEERLESS LIMITED reserves the right to drawback of duty paid on materials used in the manufacture of the goods sold to PURCHASER. PURCHASER agrees to provide PEERLESS LIMITED proof of exportation, as well as any other relevant documents, and to cooperate with PEERLESS LIMITED to facilitate the collection of such drawback.

PURCHASER and PEERLESS LIMITED agree to cooperate in good faith to permit PEERLESS LIMITED to provide the goods and services in a timely and professional manner. PURCHASER understands and agrees that PEERLESS LIMITED's provision of the goods and services may depend on the completion of certain PURCHASER tasks or adherence to PURCHASER schedules within PURCHASER's control; consequently the schedule for provision of the goods and services or any portion thereof may require adjustments or changes in the event such PURCHASER tasks or schedules change or are modified or are not completed as anticipated. PEERLESS LIMITED shall bear no liability or otherwise be responsible for delays in the provision of goods and services or any portion thereof occasioned by PURCHASER's failure to complete in a timely manner a PURCHASER task or adhere to a PURCHASER schedule.

## 26. ASSIGNMENT; SOURCE OF PRODUCTION

PURCHASER shall not assign its rights or obligations hereunder without the prior written consent of PEERLESS LIMITED, which consent shall not be unreasonably withheld or delayed. Any attempted assignment in contravention of the foregoing shall be void and of no force or effect.

Subject to compliance with PURCHASER's applicable product quality, specifications and delivery requirements specified in the Agreement, PEERLESS LIMITED reserves the right to source production of the goods supplied hereunder from any facilities which are owned by any entity controlling, controlled by or under common control with PEERLESS LIMITED. PEERLESS LIMITED shall have no responsibility for meeting PURCHASER's country-of-origin product content requirements (if any) unless PEERLESS LIMITED is notified in writing of such requirements at the time PURCHASER places its order with PEERLESS LIMITED, or in the case of standing orders, at or before the latest time PURCHASER may place an order in accordance with PEERLESS LIMITED's production scheduling requirements.

## 27. CONSTRUCTION

No provision of this contract may be construed against PEERLESS LIMITED as the drafting party. The term "including" means "including without limitation." The term "days" means calendar days unless otherwise expressly stated.

## 28. TERMINATION

In addition to any other remedies available to PEERLESS LIMITED at law, PEERLESS LIMITED may terminate the Agreement with the PURCHASER in the event that:

- (a) PURCHASER fails to perform its obligations under or otherwise breaches any provisions of the Agreement or any other contract between PURCHASER and PEERLESS LIMITED or any of PEERLESS LIMITED's affiliates;
- (b) PURCHASER ceases to carry on its business substantially as such business is conducted on the date of the Agreement and such change in circumstances modifies PEERLESS LIMITED's obligations or impairs either party's ability to discharge its obligations under the Agreement;
- (c) PURCHASER is the subject of creditor protection of bankruptcy, reorganization, liquidation receivership or similar proceedings;
- (d) PURCHASER is unable to pay its debts as they become due;
- (e) Any term, condition or provision of the Agreement or any other contract between the PURCHASER and PEERLESS LIMITED becomes invalid or illegal under any applicable law, rule or regulation; or
- (f) An event of Force Majeure listed in paragraph 8 above continues for a period of more than forty five (45) days.