

## Conditions of Purchase

### 1. General Terms and Conditions

**CODE OF CONDUCT:** All Vendors and Redpath employees are to adhere to Redpath's Code of Conduct. The current code of conduct can be viewed at <http://www.redpathmining.com/profile/compliance/>.

**CONFORMANCE:** The obligations of the Vendor pursuant to this order shall be performed in a good and workmanlike manner, free from any defects including without limitation; defects in design, materials, manufacture and assembly, in accordance with the description that forms part of this order, and conforming to any plans, specifications or standards referred to in this order.

**TITLE:** The Vendor shall convey to Redpath title to all equipment, materials, services, (hereinafter referred to as "goods"), upon delivery to Redpath free and clear of all liens, charges and encumbrances. The Vendor warrants that it will have unencumbered title to and the right to transfer to Redpath the goods ordered at the time of fulfillment of this order.

**INSPECTION:** Redpath and its representatives shall at all times have access to the site at which the Vendor is performing its obligations under this order. The Vendor shall provide proper facilities for inspection. Any inspection made by Redpath during or after performance by the Vendor does not constitute acceptance of the goods or of any obligation of the Vendor.

**VENDOR RESPONSIBILITY:** Notwithstanding any acceptance by Redpath; the Vendor shall remedy without cost to Redpath any defect including without limitation; defects in design, materials, manufacture and assembly within one year after the work provided for this order has been delivered to Redpath. If the Vendor does not correct the defective work and remove the defective materials within a reasonable time fixed by written notice Redpath may remedy the defective work and charge the associated costs to the Vendor.

**RESPONSIBILITY FOR PROPERTY:** If this order permits or requires any property of Redpath to be in the care, custody or control of the Vendor, the Vendor shall be responsible for all loss and damage to the property, and shall return it to Redpath in at least as good condition as when it was received by the Vendor. The property shall be deemed to be in the custody of the Vendor from the time it is delivered to the Vendor until it is returned to and accepted by Redpath.

**PRICE INCREASES:** The prices reflected in this order are firm unless otherwise expressly stated in this order.

**CHANGES:** This order contains the entire agreement between Redpath and the Vendor. No oral statements or agreements may be made by any agent or employee of Redpath and no variation of the terms and conditions of this order shall be binding on Redpath unless duly approved by it on its Purchase Order Amendment. Without limiting the generality of the foregoing, this order and any Purchase Order Amendment will prevail in the event of a conflict between them and any communications submitted by the Vendor.

**WARRANTIES:** The Vendor guarantees and warrants the materials and workmanship covered by this order to be free from defects, fit and safe for the proposed use by Redpath and that they conform and fulfill the specifications therefore. Only new materials, equipment and components shall be used unless otherwise expressly stated in this order.

**WARRANTY PERIOD:** The vendor shall warrant the goods for a period either i) as described in the quotation if indicated, ii) as described in Redpath's Purchase Order if indicated, or iii) if not indicated in the previous two points, a warranty period of minimum of 1 year after delivery of goods.

**DELIVERY:** Time is of the essence of this order. Immediately upon acceptance of this order, the Vendor will commence performance and will continue performance with due diligence. This order must be completed within the time stated, or if no time is stated, within a reasonable time. Failure of the Vendor to complete performance within the time or to perform with diligence, will entitle Redpath to cancel this order without liability and to claim from the Vendor for loss or damage suffered.

**FORCE MAJEURE:** If the Vendor or Redpath is prevented from or delayed in its performance under this agreement as an unavoidable result of an Act of God or of the Queen's Enemies, an order of government official body, a labour dispute, or any other cause beyond its reasonable control, the time for performance of that party shall be extended by the length of time it is so prevented or delayed. If any event of force majeure involving the Vendor or its subcontractors disrupts or threatens to disrupt Redpath operators, Redpath may cancel this order by written notice terminating without liability all obligations imposed by this order.

**CODES:** The materials and its services called for in this order shall comply with all applicable laws, regulations, codes and standards and with the regulations of the governing inspection authorities both at the place of origin and at the place of use including without limitation; the Mines Act, the Workers Compensation Act and the Transportation of Dangerous Goods Act, all of Ontario, and the Transportation of Dangerous Goods Act, Hazardous Products Act, Hazardous Materials Information Review Act and the Controlled Product Regulations, all of Canada. The Vendor shall acquire and keep in force all required permits and certificates of approval. Any electrical components shall conform to the applicable standards of the Canadian Standards Association.

**PATENTS, TRADEMARKS, AND OTHER PROPRIETARY RIGHTS:** The Vendor, in accepting this order, agrees to defend at its own expense, but in consultation with Redpath any suit or proceeding arising from the claims for infringement of patent or other proprietary rights in connection with Redpath's use of the whole or any part of the equipment or goods covered by this order. The Vendor also agrees to pay all damages or awards assessed through such action, and in case Redpath is not permitted to continue use of the equipment or goods, to remove same at its expense and refund full purchase price together with net loss of profit arising from Redpath's inability to use the equipment or goods. Redpath may at its option and its expense modify the equipment or goods to eliminate the cause for infringement claim. The Vendor will disclose to Redpath and will transfer to Redpath all rights to manufacture process, techniques which are or have been developed by the Vendor or by the Vendor and Redpath and which relate to confidential information disclosed by Redpath as a result of the performance relating to this order.

**CONFIDENTIALITY:** The Vendor shall ensure that it and its employees, agents and subcontractors do not divulge to any person, or persons any information obtained as a result of or in connection with this order and performance relating to this order, and that they treat all information furnished or arising under this order as confidential except to the extent required for the performance of this order.

**NO WAIVER:** Redpath may at any time insist upon strict compliance with the terms and conditions of this order, notwithstanding any previous custom, practice, or course of dealing to the contrary.

**CANCELLATION:** Redpath reserves the right to terminate by written notice any lease agreements within the first 60 day period should any major performance, supply or service problems not be totally corrected to its satisfaction.

**INDEMNITY:** The Vendor shall save Redpath harmless from all claims or demands arising directly out of, or in connection with, the performance of the Vendor pursuant to this order, whether those claims or demands are made by third parties or persons employed or engaged or in connection with the Vendor's performance. The Vendor shall compensate Redpath for any damages done to its property arising out of or in connection with the performance of this order.

**PROPER LAW:** This order shall be construed and applied in accordance with and governed by the laws of Ontario as an agreement made therein by parties domiciled and resident therein and to be performed therein.

**SUBCONTRACTS:** The Vendor shall not without Redpath's prior written consent, which shall not be unreasonably withheld, assign or subcontract the Vendor's obligations under this order. No assignment or subcontract shall relieve the Vendor of its obligations under this order.

**UNAUTHORIZED USE OF NAME:** The Vendor shall not, without Redpath's prior written approval, make any statement or publish or release to any other person, any photograph, advertisement, testimonial, letter or recommendation, or approval of any other document or written matter which might imply Redpath's approval of the products, actions, or performance of the Vendor.

**TRANSIT:** All risk or loss or damage in transit until actual delivery and acceptance by Redpath shall be borne by the Vendor unless previously agreed otherwise and documented on the face of this order.

**REMEDY:** If a nonconformity to the foregoing warranty is discovered in the Equipment during the applicable Warranty Period, as specified above, under normal and proper use and provided the Equipment has been properly stored, installed, operated and maintained and written notice of such nonconformity is provided to the Seller promptly after such discovery and within the applicable Warranty Period, the Seller shall, at the Buyer's election, either (i) repair or replace the nonconforming portion of the Equipment or (ii) refund the portion of the price applicable to the nonconforming portion of Equipment. If any portion of the Equipment so repaired, replaced or re-performed fails to conform to the foregoing warranty, and written notice of such nonconformity is provided to the Seller promptly after discovery and within the original Warranty Remedy Period applicable to such Equipment or 30 days from completion of such repair, replacement or re-performance, whichever is later, the Seller will repair or replace such nonconforming Equipment. The original Warranty Remedy Period shall not otherwise be extended.

### 2. Packing, Shipping, Delivery and Invoicing

**SHIPPING DOCUMENTS:** All cases, crates, packages, bundles, etc., shall be marked with the Order Number. The Vendor shall enclose, with each container or shipping unit, packing slips detailing the contents together with the Vendor's name and the Order Number.

**PACKING:** No charge will be allowed for tarping, special handling charges, boxing, packing and crating or for cases, packages, drums, reels, pallets and boxes unless so specified on the face of this order.

**SHIPPING:** If this order specifies a method of shipping, carrier or route, no deviations from those items may be made without Redpath's prior written approval. The Vendor shall be responsible for any additional costs, losses or damages resulting from an unauthorized deviation in method, carrier or route.

**DOCUMENTS (FOREIGN SHIPPERS):** Vendors of items to be shipped from outside Canada must complete three (3) copies of Canada Customs Invoices (Form C 1-1. 88). Two (2) copies to accompany the shipment and the third copy to be mailed to J.S. Redpath Limited, P.O. Box 810, North Bay, Ontario P1B 8K1, Attention Purchasing Department.

**INVOICES:** The Vendor shall submit all invoices electronically using the Electronic Supplier Interface (ESI-AP). Paper, fax, e-mail invoices and statements are not required.

**TAX AND DUTY REFUNDS:** The Vendor shall assist Redpath in obtaining any tax or duty refunds, including without limiting the generality of the foregoing, providing copies of invoices, receipts and financial data. All tax and duty refunds shall be to Redpath's account.

**TERMS OF PAYMENT:** The payment terms are stated on the purchase order. Any deviation from this requires a revised purchase order.