

**1. Definitions:**

- (a) **“Delivery Date”** means the date(s) by which Supplier shall deliver the Goods and/or complete the Services, as applicable, as specified in the PO.
- (b) **“Delivery Point”** means the location to which Supplier shall deliver the Goods as specified in the PO.
- (c) **“Dispute”** means a dispute, controversy or claim arising out of or relating to this PO, or to the breach, termination, or invalidity hereof.
- (d) **“Dispute Notice”** means a written notice delivered from either party to the other party which identifies a Dispute.
- (e) **“Goods”** means the equipment, material and goods to be supplied by Supplier as set forth in the PO.
- (f) **“Permitted Subcontractor”** means a subcontractor of Supplier whom Strad has authorized in writing to perform a portion or all of the Services.
- (g) **“Price”** means the agreed price for the Goods and Services as set forth in the PO, and unless otherwise specified in the PO, includes packing, crating, marking, transportation, bracing and dunnage, unloading, assembly, installation and other fees or charges of any kind incurred by Supplier, as well as its profit.
- (h) **“Purchase Order”**, or **“PO”**, means the Purchase Order, these Terms and Conditions and any other specifications or instructions provided by Strad.
- (i) **“Services”** means the services to be supplied by Supplier as set forth in the PO.
- (j) **“Strad”** means Strad Oilfield Rentals Ltd., or any of its affiliates or subsidiaries.
- (k) **“Strad Property”** means any property owned, operated, maintained, possessed or used by Strad or its customers.
- (l) **“Supplier”** means the supplier of Goods and Services as set forth in the PO, along with all personnel, suppliers, agents, subcontractors and invitees involved in such supply.

**2. Scope:** If a master agreement exists between Strad and Supplier to govern the supply of goods and services from Supplier to Strad, the terms and conditions of such master agreement shall be read in conjunction with the PO; however, where they are in conflict the master agreement shall prevail. The PO is binding upon the earlier of (i) Supplier signing and returning written acceptance of the PO, or (ii) Supplier commencing work under the PO. The PO comprises the entire agreement between the parties, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. The PO prevails over any of Supplier’s general terms and conditions regardless whether or when Supplier has

submitted its request for proposal, order, or such terms. Provision of services to Supplier does not constitute acceptance of any of Supplier’s terms and conditions and does not serve to modify or amend these Terms.

**3. Supplier Obligations:**

- (a) Goods and Services are to be supplied at the Delivery Point(s) and by the Delivery Date(s) set forth in the PO. Supplier shall comply with all relevant legislation, regulations, labour laws, immigration laws, import-export regulations and environmental and industry standards in all jurisdictions where Supplier operates and/or where the Goods and Services are transported or delivered. Supplier shall comply with Strad’s instructions and, where applicable, its corporate policies regarding workplace conduct, worksite access, health and safety, contractor orientation, computer systems security, privacy and the environment as updated from time to time. Supplier shall comply at its own expense with all applicable laws, ordinances, regulations and codes, including the identification and procurement of required permits, certificates, licenses, insurance, approvals and inspections.
- (b) Supplier shall perform its obligations under the PO in an efficient, skillful, diligent and workmanlike manner and shall provide all skills, labour, supervision, equipment, materials and personal protective equipment required to do the same. Supplier shall promptly pay all debts incurred for labour, services, equipment and materials in its performance under the PO and shall ensure that no liens, encumbrances or claims attach to the Goods or any Strad Property. Where Supplier enters upon a Strad Property, it shall ensure that it has familiarized itself with all safety hazards, completed all required orientation and is in compliance with all environmental, health and safety laws, regulations or other requirements. Supplier shall ensure that its performance of the Services does not interfere with the operations of Strad or other contractors and that it has taken all necessary precautions to prevent damage or injury to all persons and property on any worksite. Should an accident on a worksite or any Strad Property occur, Supplier shall immediately notify Strad of the same. Supplier shall ensure that all equipment supplied or used in connection with its obligations hereunder is regularly inspected, calibrated and maintained in accordance with the manufacturer’s guidelines, applicable laws and best practises.
- (c) Supplier shall comply, at its own expense, with all third party contractor management and evaluation tools and methods as required by Strad, and will provide proof of such compliance upon Strad’s request.

(d) Strad's approval of a Permitted Subcontractor shall not relieve Supplier of its obligations under the PO, and Supplier shall remain fully responsible for the performance of each such Permitted Subcontractor and its employees and for their compliance with all of the terms and conditions of this PO as if they were Supplier's own employees. Nothing contained in this PO shall create any contractual relationship between Strad and any Supplier subcontractor or supplier.

(e) Supplier shall require each Permitted Subcontractor to be bound in writing by the confidentiality and intellectual property assignment or license provisions of this PO.

**4. Warranties:** Supplier warrants to Strad and its customers (referenced for the remainder of this Section 4 as "**Customers**") that all Goods and Services:

- (a) will be manufactured/performed in a professional, workmanlike manner;
- (b) are fit for their intended purpose and any special purpose identified in the PO, are of the new and best quality in every respect, conform to and perform in accordance with the specifications provided by Strad and are free from defects of workmanship and materials;
- (c) are free of any liens, encumbrances or claims; and
- (d) are of acceptable industry standards, they comply with all laws, including those relating to manufacturing, supply and delivery, and they meet or exceed any applicable governmental requirements.

These warranties extend to the future performance of the Goods and Services and shall continue for the longer of (i) twelve (12) months from initial utilization or eighteen (18) months from delivery, whichever occurs the earliest, or (ii) such greater period as may be specified elsewhere in the PO. If material furnished contains manufacturers' warranties, Supplier hereby assigns such warranties to Strad and its Customers. Should there be any non-assignable warranties, Supplier warrants that it will take such action (at its own expense) as Strad may reasonably request to enforce such warranties. Supplier represents and warrants that this PO does not violate any other agreement binding on Supplier.

**5. Warranties Cumulative:** The warranties set forth in Sections 3 and 4 are cumulative and in addition to any other warranty or condition provided by law or equity. These warranties survive any acceptance of or payment for the Goods and/or Services by Strad. Any applicable statute of limitations runs from the date of Strad's discovery of the

non-compliance of Goods and/or Services with the foregoing warranties.

## **6. Price and Payment:**

- (a) Unless otherwise agreed upon by the parties, Supplier shall submit its invoice after the Goods and Services have been delivered/completed at the Delivery Point and accepted by Strad. Invoices shall be mailed or emailed to Strad at the addresses set forth in the PO. All invoices must be presented in the currency set forth in the PO and accompanied by all applicable work tickets, third party invoices, transportation bills of lading, shipping notices and any other supporting documentation as may be requested by Strad. Strad shall pay invoices forty-five (45) days from the date of receipt of the invoice. If applicable, any discounts or rebates identified in the PO or any other applicable agreement shall be identified on the invoice, and shall be computed from the later of the date of Strad's acceptance of the Goods and Services, or its receipt of the invoice.
- (b) Strad shall have no influence on and shall make no decisions regarding the amounts Supplier pays its personnel. Supplier agrees and represents that any Supplier personnel it furnishes to Strad will be employees of Supplier or its Subcontractor(s) and will be paid according to applicable wage and hour laws.
- (c) The Price shall be exclusive of all taxes, duties and assessments of any kind, municipal, provincial, state or federal taxes, including the Goods and Services Tax as provided for in the *Excise Tax Act* (Canada) or comparable legislation, which shall be listed separately on Supplier's invoice. Supplier shall be exclusively liable for, and shall pay, all taxes, assessments, duties, lienable claims or other charges levied on Supplier or Strad in respect of the Goods and Services furnished, and Supplier shall indemnify Strad against all claims for any failure to pay the same, and from any claims alleging that Strad is an employer or a joint employer of Supplier under applicable laws. Supplier acknowledges that if it is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada), that its provision of Goods and Services to Strad may be subject to withholding taxes.
- (d) Strad may withhold payments or deduct amounts owing to Supplier without liability or interest where it has reason to question the quality of Goods and Services or where, in its reasonable opinion, it believes it has been damaged by Supplier's performance under the PO. Strad may offset any amounts owed to Supplier against amounts owed by Supplier to Strad.
- (e) Supplier shall have ninety (90) days after the completion of its obligations pursuant to the PO or expiration or termination of the PO or a master

agreement, to invoice Strad for all amounts due and outstanding related to any Goods or Services after completion (as determined on a site-specific basis) of the relevant Services or delivery of the relevant Goods under the PO. In the event Supplier fails to invoice Strad for all amounts due within such period, Supplier shall release Strad from any obligation to pay such amounts.

#### **7. Shipping:**

- (a) Supplier shall deliver Goods to the Delivery Point by the Delivery Date. Should Supplier fail to do so, Supplier shall indemnify and hold harmless Strad from all resulting third party claims and at Strad's discretion, (i) this PO shall remain in full force, (ii) Strad may choose to contract directly with a carrier to coordinate shipping, or (iii) Strad may choose to cancel all or a portion of the PO and purchase the Goods somewhere else. Should Supplier's failure to deliver in accordance with the PO cause Strad additional costs (including transportation costs), it shall also be liable for those increased costs.
- (b) Goods shall be accompanied by a copy of the priced PO with the order number printed on all subordinate documents, shipping papers and bills of lading, and clearly marked on all packages and/or materials. Each shipment shall contain a packing memorandum and, where more than one package is shipped, the package containing the memorandum shall be identified. After receipt, Contractor shall attach an executed bill and/or a material report from the delivery point, which shall include proof of delivery, receipt and acceptance.
- (c) Supplier shall comply with all laws, regulations and industry standards, along with any special Strad instructions, in regard to the safe and proper handling, packing, transportation, cartage, delivery and use of the Goods. Supplier shall identify any hazardous or toxic Goods with appropriate warning labels, and shall provide to Strad written instructions concerning potential hazards and recommended procedures for the handling, transportation and maintenance of such Goods.
- (d) Supplier acknowledges that time is of the essence with respect to Supplier's obligations hereunder and the timely delivery of Goods and Services.

#### **8. Title and Risk of Loss:**

- (a) Title to the Goods shall be vested in Strad upon the earliest of (i) the Goods, or part thereof, being appropriated to the PO, (ii) Strad paying for the Goods, or a part thereof, or (iii) the Goods, or part thereof, being delivered to the Delivery Point. Risk of loss and damage to Goods purchased by Strad hereunder shall vest in Strad when Strad takes physical possession and

accepts the Goods at the Delivery Point. Acceptance of title and risk by Strad shall not prejudice any rights or remedies that Strad has pursuant to contract or at law.

- (b) Supplier represents that it has, and will convey to Strad, good and marketable title in and to the Goods, free and clear of all liens, claims and encumbrances of any kind. Supplier will indemnify and hold Strad harmless from and against all claims of any parties asserting a lien or interest in the Goods. Supplier hereby irrevocably grants to Strad title to and a security interest in all of Supplier's right, title and interest in any and all Goods specifically identified in the PO and to all equipment, attachments, and improvements thereto (whether such equipment is classified as "equipment" or "inventory" as such terms are defined), all general intangibles related to such equipment, and any and all proceeds therefrom.

**9. Inspection:** Strad reserves the right to inspect the Goods and Services at any location with reasonable notice. Any inspection, acceptance or testing performed by Strad shall not relieve Supplier's obligations under the PO, including warranty obligations. Should the Goods or Services fail such an inspection, Strad reserves the right to reject them in part or completely and, at its discretion, request a replacement, refund or credit at Supplier's cost (including transport), and to dispute or reject any associated invoice.

**10. Strad's Review of Contract Documents:** Wherever the PO provides for the submission of designs, drawings, material certificates, components or other items for review by Strad, such review shall not be construed as a complete check as to the adequacy of such submittals nor as an agreement that such submittals will meet the requirements of the PO. Review by Strad is solely for the purpose of ensuring Strad's knowledge of Supplier's plans and general compliance with the contractual requirements. Such reviews shall in no way relieve Supplier of the responsibility for any error or deficiencies which may exist in such submissions and Supplier shall remain responsible for meeting all the requirements of this PO.

**11. Acceptance:** Strad is not required to accept partial or incomplete delivery unless the parties have so agreed. Acceptance by Strad of a partial delivery shall not bind it to accept any future shipments. Strad is not obligated to any minimum purchase or future purchase obligations of any kind under this PO.

#### **12. Changes:**

- (a) Strad has the right to make any changes to the PO and such changes will be made either verbally or by written change order issued by Strad. If a change order issued by Strad causes an increase or a decrease in the price and/or cost of the Goods and Services, Strad shall

make an equitable adjustment in the Price and/or delivery cost and delivery schedule. Any claim by Supplier for an equitable adjustment must be submitted in writing to Strad within ten (10) days of receipt of the change order from Strad. Supplier and Strad shall promptly address any disagreement concerning equitable adjustment or other issues related to the change order in good faith and acting reasonably. In no event shall Supplier delay its delivery of Goods and Services while the parties work to resolve issues of Price or schedule.

- (b) Supplier shall not make any change to the PO or substitute any materials without Strad's prior written authorization, nor is it entitled to payment for such unauthorized changes.

**13. Prompt Remedial Work:** If Supplier fails to correct a defect within a reasonable time from issue of written notice from Strad, Strad may, at its sole option, correct the defect and charge Supplier the costs and expenses thereof, or require Supplier to accept an equitable reduction in the price and retain the defective items. If Strad corrects a defect itself, Strad may at its option deduct the costs from any holdback it may have or other amounts owing to Supplier, or may recover same from Supplier and Supplier's sureties. Notwithstanding performance of such remedial work by or on behalf of Strad, the warranties of Supplier for the period referred to in this Section shall continue to apply with respect to all Goods and Services including the remedial work performed by or on behalf of Strad.

**14. Remedies:**

- (a) At any time, if Goods and Services are not provided in accordance with the PO, Strad may, in addition to its other rights or remedies, elect to: (i) cancel or suspend the PO; (ii) reject the Goods and return them to Supplier at Supplier's sole risk and expense and upon its direction; or (iii) require that Supplier remediate any deficiency within a reasonable time at its sole cost, risk and expense. If Strad elects remedy (ii) above and Supplier fails to direct the return of the Goods, Strad shall dispose of them and invoice Supplier for the costs thereof. If Strad elects remedy (iii) above and Supplier fails to do so, or should Strad deem that remediation is of an urgent nature, Strad reserves the right to remediate the deficiency and charge back all associated costs to Supplier. Such action by Strad shall not affect any warranty on the Goods.
- (b) Any Goods remediated pursuant to this Section 15 shall be warranted by Supplier until the later of the expiration of the warranty period, or twelve (12) months after remediation of the deficiency.

- (c) The rights and remedies under this PO are cumulative and are in addition to and not in substitution for any other rights and remedies available at law or in equity or otherwise.

**15. Indemnity:** Supplier agrees to indemnify, defend and hold harmless Strad, its affiliates, customers, employees, directors, officers, successors and assigns from and against any losses, damages, claims, fines, penalties and expenses (including reasonable attorney's fees) that arise out of or result from: (i) injuries or death to persons or damage to property, including theft, in any way arising out of or caused or alleged to have been caused by the Goods and Services furnished by Supplier; (ii) assertions under Workers' Compensation or similar acts made by persons furnished by Supplier; (iii) any failure of Supplier to perform its obligations hereunder; (iv) the actual or alleged infringement by Supplier of a third party's intellectual property rights; or (v) a claim that Strad is the employer or joint employer of any Supplier personnel under any applicable laws. Supplier shall indemnify, defend and hold harmless Strad from any losses, damages, claims, fines, penalties and expenses (including reasonable attorney's fees) that Strad may suffer, sustain or incur arising out of an infringement claim (actual or alleged) in relation to the Goods.

**16. LIMITATION OF LIABILITY:** NOTWITHSTANDING ANY CLAUSE TO THE CONTRARY IN ANY MASTER AGREEMENT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR SPECIAL, EXEMPLARY, INDIRECT, INCIDENTAL, CONSEQUENTIAL (INCLUDING LOST PROFITS), OR PUNITIVE DAMAGES OF ANY KIND; HOWEVER NOTHING HEREIN SHALL LIMIT SUPPLIER'S LIABILITY FOR DAMAGES SUSTAINED BY STRAD AS A RESULT OF THIRD PARTY CLAIMS ARISING FROM SUPPLIER'S BREACH OF THIS AGREEMENT, OR DUE TO ITS NEGLIGENT ACTS OR OMISSIONS OR WILFUL MISCONDUCT.

**17. Termination:**

- (a) Strad may terminate the PO, in whole or in part, by providing written notice to Supplier: (i) immediately where Supplier is in material breach of its obligations under the PO, or where Strad reasonably believes that Supplier will be unable to perform under the PO; or (ii) for any reason, by providing Supplier with five (5) days' notice of same.
- (b) Should Strad terminate pursuant to Subsection 17(a)(i), its liability shall be limited to payment of the amount due for Goods accepted by Strad or Services performed up to and including the

date of termination, less any damages incurred by Strad due to Supplier's actions or omissions.

- (c) Should Strad terminate pursuant to Subsection 17(a)(ii), Strad will pay all of Supplier's direct costs incurred up to the termination date, with Supplier making best efforts to mitigate any such costs.

**18. Suspension:** Strad may suspend the performance of Supplier's obligations hereunder at any time.

**19. Audit:** Supplier shall keep and maintain true and correct books, records and accounts with respect to the PO for a period of three (3) years after completion of its obligations under the PO. Strad reserves the right to inspect and audit Supplier's records in relation to its obligations herein, which shall include taxation and third party payments.

**20. Use of Information:** Supplier shall view as Strad's property any idea, data, program, technical, business or other intangible information, however conveyed, and any document, print, tape, disc, tool, or other tangible information-conveying or performance-aiding article owned or controlled by Strad, and provided to Supplier ("Information"). Supplier shall keep Information confidential and use it only in performing under this PO and obligate its employees, suppliers and others working for it to do so, provided that the foregoing shall not apply to information previously known to Supplier free of obligation, or made public through no fault imputable to Supplier. Supplier shall, at no charge to Strad, and as Strad directs, destroy or surrender to Strad promptly at its request any such Information. Strad shall be entitled to injunctive relief for any violation of this Section.

**21. Insurance:** Supplier shall maintain insurance to adequately protect Strad and its Customers (the "Indemnites") against risks Supplier is likely to encounter in providing Services under this PO. Notwithstanding the foregoing, Supplier shall, at a minimum, maintain the following types and amounts of insurance and shall keep such insurance in force during the term of this PO: (i) Commercial General Liability insurance on an occurrence basis with a limit of not less than Five Million Dollars (\$5,000,000) for any one loss or occurrence and in the aggregate with respect to bodily injury or death, personal and advertising injury and property damage, which shall include coverage for contractual liability, tortious liability, contractor's liability, products liability, completed operations liability, sudden and accidental pollution, non-owned automobile liability and third party property damage, (ii) Workers' Compensation Insurance (including occupational disease coverage) as required by Applicable Laws, (iii) Employers' Liability Insurance with minimum limits of One Million Dollars (\$1,000,000) for bodily injury by

accident (each accident), bodily injury by disease (policy limit and each employee) and death, (iv) Automobile Liability Insurance covering all motor vehicles and trailers owned, operated or hired in connection with the Work with an inclusive bodily injury, death and property damage limit per occurrence of not less than Five Million Dollars (\$5,000,000), and (v) Property All-Risk Insurance covering against Supplier's property, equipment and all other assets to be equal to the replacement cost value. All insurance shall be written to add Strad as an additional insured, and shall be written or endorsed to provide a waiver of subrogation in favour of the Indemnites. Contractor's insurance shall be primary and non-contributory to any other insurance policy providing coverage to Strad. Prior to performing Services, Supplier shall furnish Strad with certificates that certify that the above coverage is in full force and effect. Supplier shall cause its contractors to carry insurance of types and amounts necessary to cover risks inherent in the work performed by such subcontractors. The insurance requirements set for herein are a minimum requirement only, and shall not be deemed as a limitation of Supplier's liability. Should Supplier fail to obtain insurance coverage, or allow it to lapse, Supplier shall indemnify and hold harmless Strad from all damages relating to this failure.

**22. Force Majeure:** The parties shall not be liable for any damage or penalty for delay in delivery or for the failure to give notice of delay when such delay is due to unusually severe weather conditions, acts of god, act of civil or military authority, war, riots, concerted labour action, or any other causes which could not have been anticipated and are beyond the reasonable control of a party. The anticipated delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision, provided however, that if the delay is anticipated to exceed ten (10) days, Strad at its option may elect to cancel all or a portion of the PO without incurring any liability to Supplier.

**23. No Third-Party Beneficiaries:** This PO is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

**24. Dispute Resolution:** Disputes, if any, shall be submitted by the party identifying the Dispute to the manager of each party for negotiation and resolution by delivery of a Dispute Notice. The parties' respective managers shall negotiate in good faith to resolve the Dispute. If the parties cannot resolve any Dispute within

ten (10) business days after delivery of the applicable Dispute Notice, either party may file an action in a court of competent jurisdiction in accordance with the provisions of Section 26.

**25. Choice of Law:** This PO is governed by the laws of the Province of Alberta and the parties irrevocably submit to the exclusive jurisdiction of the Court of Queen's Bench in the City of Calgary. The parties expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods. In any action brought in relation to the subject matter herein, the party not prevailing in a court of law will pay all costs and expenses, including reasonable attorneys' fees, incurred in enforcing any terms, covenants and indemnities provided herein.

**26. Notices:** All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the PO or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmissions) or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided by the PO, a Notice is effective only (i) upon receipt of the receiving party, and (ii) if the party giving the Notice has complied with the requirements of this Section.

**27. Survival.** Provisions of the PO, which by their nature should apply beyond their terms, will remain in force after any termination or expiration of the PO, including, but not limited to, the following provisions: Supplier Obligations, Use of Information, Limitation of Liability, Choice of Law, and Survival.

**28. General Provisions:** Strad and Supplier are independent contractors and it is the understanding of the parties that no relationship of master and servant, principal and agent, or employer and employee shall exist between Strad and Supplier, Supplier's employees, subcontractors, agents or representatives. This PO constitutes the final written expression of all of the agreements between the parties with respect to the subject matter, and supersedes all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. Each of the parties shall at the request of the other without cost or expense execute and deliver any further documents and do all acts and things as reasonably required to carry out the intent of this PO. No waiver by Strad of any of the provisions of the PO is effective unless explicitly set forth in writing and signed by Strad. No failure or delay by a party in exercising any right, power or privilege shall operate as a waiver

thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. If any provision of this PO shall be found to be invalid or illegal by reason of any determination made by a court of competent jurisdiction or any governmental authority having jurisdiction in the circumstances, such provisions shall be severed from this contract to the extent of such invalidity or illegality and the validity, legality or enforceability of the remaining provisions of this PO shall not in any way be affected or impaired thereby. This PO shall be subject to the laws pertaining to all locations where Goods and Services are provided, including those through which Goods are transported. The subsequent execution by Strad of any Supplier field tickets, forms, receipts, invoices, terms of services, etc. shall not amend or modify the terms of this PO. Time shall be of the essence in this PO. This PO shall be assignable by Strad to any of its subsidiaries, affiliates or successors without the consent of Supplier. Supplier shall not assign this PO without Strad's prior written consent. This PO shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. No assignment or delegation relieves Supplier of any of its obligations under the PO. The parties may execute this PO by facsimile or other electronic means and in separate counterparts, each of which when so executed and delivered shall be an original, and all such counterparts taken together shall constitute one instrument. The terms of this PO are confidential and shall not be disclosed to any third party. Supplier shall not use Strad's name in connection with any publicity, release or advertisement without Strad's prior written authorization.