

## TERMS AND CONDITIONS

### PACKING AND SHIPPING

Deliveries shall be made as specified without charge for boxing, crating, cartage or storage unless otherwise specified, and material shall be suitably packed to secure lowest transportation costs, and in accordance with the requirements of common carriers. All documents must bear Buyers purchase order number(s) (PO) and must be plainly marked on all invoice, packages, bills of lading, and shipping orders. Supplier must ensure that each shipment is accompanied by a packing slip that indicates, at a minimum Supplier part numbers, Buyer's part numbers and the applicable Purchase Order number. Buyer's count or weight shall be final and conclusive on shipments. Shipping receipts or bills of lading shall be forwarded to Buyer on the date material is shipped. Goods are to be packed so as to ensure against damage from weather or transportation.

### ACCEPTANCE OF ORDER

Acceptance of this order including all items and conditions may be signified by any one of the following:

- a. By either returning to the Buyer a copy of the order signifying acceptance by the signature and position in the seller's organization of an authorized officer;
- b. A letter, telex or other written communication to the Buyer signifying acceptance and stating the Buyer order number;
- c. Fulfillment of any part of this order.

Buyer expressly rejects any provisions at variance with the applicable Purchase Order as they appear in the Seller's acceptance or reply. The Buyer's General Purchase Order terms and conditions may only be excluded or amended by express written agreement signed by an authorized representative of the Buyer.

### WARRANTY

The Seller warrants that all material and work covered by this order will conform to applicable specifications, drawings, samples and/or other description and shall be free from defects in workmanship or material. Unless the materials or articles covered by this order are manufactured completely to detailed designs furnished by the Buyer, the Seller assumes design responsibility and warrants the items to be fit and sufficient for the purpose intended. Seller warranties together with its service warranties and guarantees shall be automatically transferred to the Buyer's customers or clients. The Seller shall at its own expense, replace any supplies and/or work which do not comply with the above warranties.

### INSPECTION

The Seller shall provide a complete quality control inspection plan satisfactory to the Buyer, covering the inspection of all materials, fabricating methods, jigs, fixtures, dies and Buyer furnished items.

All items covered by this order shall be subject to final inspection and acceptance by the Buyer. If any items covered by this order specify "certification required" such certifications shall contain the Buyer Purchase Order number, a description of the item(s) furnished, and certification that manufacture and/or properties and characteristics are in accordance with a stated specification. Such certifications shall be signed by an authorized officer of the Seller, and if requested by the Buyer, be notarized.

Such certifications are to be provided to the Buyer at the time of delivery or final acceptance, whichever occurs first.

### REJECTIONS

Buyer may reject products that are defective or do not conform to the Specifications. Upon rejection Buyer will notify the Seller and will also provide reasons for the rejection. Seller must provide a Return Materials Authorization (RMA) number within one (1) Seller's business day, Buyer may return defective product without further notice to the Seller. Seller shall pay all costs associated with the transportation of the Defective Products, including the cost of transport from the Buyer's plant and where applicable transportation of replacement or repaired defective Products.

Where Buyer finds sufficient number of Defective Products, Buyer may decide to inspect the entire shipment or reject the entire shipment.

#### **FIRST ARTICLE INSPECTIONS (FAI)**

The Buyer may require FAI's to be performed by the Seller's at their sole cost and expense. The buyer will endeavour to provide reasonable notice to schedule the required inspection(s).

#### **DELIVERY**

Except as hereafter provided the Seller shall deliver all items covered by this order according to the delivery date or schedule indicated. If the Seller's delivery is in risk of failing to meet the required delivery schedules and the Buyer so elects the Seller shall employ accelerated measures such as material expediting fees, premium transportation costs or labour overtime to ensure the Products are delivered on or before the revised Delivery Date at the Seller's sole cost and expense.

#### **LIQUIDATED DAMAGES**

Whereas time is of the essence in this order and whereas the specific amount of damage suffered for each day that the order remains unfulfilled after the specified date is difficult or impossible of determination, it is hereby agreed between the Buyer and Seller that the latter shall pay the Buyer a sum equal to 0.5% of the total value of this order per day, for each day of delay, not as a penalty but as liquidated damages for such delay except that the agreed shall not be due if the delay is caused by the Buyer nor shall liquidated damages be paid for Sundays or legal holidays.

#### **SPECIAL TOOLS, JIGS, FIXTURES, DIES**

Unless otherwise herein provided, special tools, jigs, fixtures, dies or patterns acquired or produced solely for the manufacture of items herein ordered, shall become the property of the Buyer. The Seller agrees to store and keep in good condition such special tools, jigs, fixtures, dies, or patterns, without cost to the Buyer.

#### **BUYER FURNISHED MATERIAL**

Any material supplied by the Buyer on other than a charge basis, in connection with this order shall be deemed handed to the Seller for mutual benefits. Title shall at all times remain with the Buyer. The Seller agrees to provide adequate security and maintenance while on the Seller's premises, and to replace at no cost to the Buyer any material damaged, destroyed, otherwise spoiled, or inadequately accounted for. Where Buyer supplies material to Seller, the Seller must perform receipt inspection and include supporting documentation as part of inspection records in shipment(s) to Buyer.

#### **INSURANCE**

The Seller agrees to acquire and maintain insurance on all property on the Seller's premises owned by the Buyer against loss or damage resulting from fire (including extended coverage) theft, malicious mischief and vandalism. The Seller shall provide proof of insurance upon request by the Buyer.

#### **CHANGES**

If the articles to be furnished under this order are to be specifically manufactured or otherwise altered in accordance with the Buyer's drawings and specifications, the Buyer may by written order make changes in drawings and specifications. Any difference in price or time for performance resulting from such changes shall be equitably adjusted and the order amended in writing accordingly.

#### **PUBLICITY / ADVERTISING**

The Seller shall not without prior written consent from the Buyer in any manner advertise or publicize the fact that the Seller is providing or has contracted to provide the Buyer with the items or services herein mentioned.

#### **PATENT INDEMNITY**

The Seller agrees to indemnify the Buyer against any claim or liabilities for or by reason of any asserted patent infringement arising from the manufacture or sale to the Buyer of any items or services under this order.

#### **COMPLIANCE WITH LAWS AND REGULATIONS OF GOVERNING BODIES**

The Seller agrees that in performance hereof, it will comply with all applicable laws, statutes, rules, regulations or orders of

the Province of Ontario and Government of Canada, without regard to any conflict of laws principles. The parties expressly agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to this Purchase Order or to any transactions processed under this Purchase Order. The parties hereby attorn to the non-exclusive jurisdiction of the Province of Ontario and all courts competent to hear appeals from such courts.

#### **ASSIGNMENT**

No assignment of this order or any monies due or to become due thereunder shall be binding upon the Buyer without the written consent thereof by the Buyer. Payment to an assignee of any claim under this order shall be offset by a present or future claim which the Buyer may have against the Seller.

#### **SUBCONTRACTING**

The Seller agrees to obtain the Buyer's approval before subcontracting more than 25% of the value of this order, exclusive of the purchase of parts and materials by the Seller.

#### **CANCELLATION**

The Buyer reserves the right to cancel any part of the unaccepted portion of this order if the Seller fails to make deliveries as scheduled in this order or breaches any of the terms and conditions thereto.

#### **TERMINATION**

Notwithstanding anything contained in the Purchase Order the Buyer may, at any time, by giving written notice to the supplier, terminate, modify, or reduce this purchase order in respect of all or any part(s) of the product, supplies and/or work not then accepted. Upon such notice the Seller shall terminate, modify, or reduce this purchase order in accordance with and to the extent specified in such notice. If Seller is not in default of its obligations under this Purchase Order, Seller may claim reimbursement for its reasonable costs incurred up to and including the date of termination. The Buyer's obligation hereunder shall not exceed the total value of this Purchase Order.

The Buyer shall have the right to cancel all or any part of this order in the event of the happening of any of the following:

- 1        Insolvency of the Seller
- 2        Filing of voluntary petition in bankruptcy by the Seller
- 3        Filing of an involuntary petition to have the Seller declared bankrupt
- 4        The appointment of a receiver or trustee for the Seller
- 5        The execution by the Seller of any assignment for the benefit of creditors.