

Standard Terms & Conditions

1. AGREEMENT Written acknowledgment of this Purchase Order or commencement of performance by Seller, whichever occurs first, constitutes complete acceptance of and agreement with all terms and conditions contained herein by Seller and constitutes the entire agreement between Buyer and Seller. There are no understandings, express or implied, which are not expressly set forth herein and this Purchase Order shall not be modified, varied or supplemented by any course of dealing, usage or the trade or otherwise, except by writing signed by both Buyer and Seller. This issuance of a Purchase Order by Buyer does not constitute an acceptance by Buyer of the terms and conditions of any offer to sell, any quotation, or any proposal received from seller. Only Buyers signed consent will bind it to any terms hereafter transmitted in any form by the Seller. Reference in a Purchase Order to any such offer to sell, quotation or proposal shall in no way constitute a modification of any of the terms and conditions of this Purchase Order. AN ATTEMPTED ACKNOWLEDGEMENT OF A PURCHASE ORDER OR OTHER DOCUMENTS CONTAINING TERMS AND CONDITIONS INCONSISTANT WITH OR IN ADDITION TO THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER IS NOT BINDING UPON BUYER UNLESS SPECIFICALLY ACCEPTED BY BUYER IN WRITING. BUYER HEREBY OBJECTS TO ANY SUCH ADDITIONAL OR INCONSISTENT TERMS AND CONDITIONS. The signature of an employee of Buyer on a document presented by Seller in connection with the delivery of any goods or services shall only constitute acknowledgement that such goods or services have been delivered and shall not constitute Buyer's assent to any terms and conditions different from or in addition to those stated in this Purchase Order, notwithstanding anything to the contrary contained in any document provided by the Seller.

2. PRICE, PAYMENT, QUANTITY (a) Unless otherwise expressly set forth, to the contrary in this Purchase Order, the price for goods and services set forth in this order are firm, fixed prices (including charges for shipping and packaging), and any costs incurred by seller in excess of such firm, fixed price shall be at Seller's own risk and expense. Any quantities set forth on the front page of this Purchase Order, or otherwise communicated to Seller by Buyer's employees are nonbinding estimates and Buyer shall in no way be obligated to purchase such quantities. However, Buyer shall have no liability for payment for any material delivered by buyer in excess of quantities specified in the delivery schedule. From time to time during the term of this Purchase order, Buyer shall have the right to advise Seller of the terms of a bona fide offer from another seller offering to sell Buyer similar or substitute goods, or services as applicable, in like quantities, under similar conditions at a lower purchase price and if within fifteen (15) days of receipt by seller or notice of said bona fide offer from Buyer, Seller does not agree to meet said lower purchase price, then Buyer shall have the right to terminate this Purchase Order as to some of all future purchases from Seller hereunder effective immediately upon written notice to Seller.

(b) Seller shall pay all sales, use, excise, transportation, customs duties, employment insurance, pension plan, payroll, employer health, withholding transfer and other similar taxes in connection with the sale of the goods and performance of the services hereunder. For goods or services to be delivered in Canada, Buyer will pay any Goods and Services Tax ("GST"), Harmonized Sales Tax ("HST") or Quebec Sales Tax ("QST") for which Buyer is able to claim a credit or refund and Seller is registered to collect. Where Buyer pays GST/HST (or QST) to Seller, Seller must provide Buyer with its GST/HST (or QST) registration number on all invoices of the sale of the goods and performance of the services hereunder. Seller shall indicated on its invoice that GST/HST or QST is to be included in the price charged by Seller. For purchases being delivered in Canada, Seller shall specify the amount of any other Provincial Sales Tax ("PST") payable that is included in the sale price for goods and performance of services hereunder. For greater certainty, seller shall act as importer of record for goods purchased by Buyer during the term of this Purchase Order. Seller shall be responsible for ensuring that the importation of goods complied fully with the provision of applicable import and export laws, for obtaining all required import permits, certificates and release documents, and for paying any customs duties, and any other taxes payable upon the importation of goods. For purchases being delivered into Canada, if not registered for GST purposes and a non-resident person under the *Excise Tax Act*, Seller shall provide documentation (e.g. B3 entry document) to support the Buyer's claim for an import tax credit for GST paid by Seller as importer of record for goods purchased by

Buyer. Buyer will then reimburse Seller for GST paid on importation of such goods.

3. PACKING AND SHIPPING (a) Seller shall be responsible for providing adequate packaging, packing, shipping and billing. Seller shall comply with all packaging, shipping and billing requirements reasonably requested by Buyer. Or established by applicable laws, rules, regulations, carrier tariffs and classifications. All goods shall be delivered to destination at Seller's expenses, transportation charges prepaid, unless otherwise agreed in writing. In the event transportation charges shall be paid by Buyer. Each shipment shall be accompanied by a packing slip. An invoice for each shipment shall be mailed in duplicate with bill of lading attached on the same day as shipment is made. Seller shall maintain and report any and all premium freight charges paid by Seller.

(b) Shipment of order in accordance with specifications must be made within the time agreed on by the parties. Should Seller delay shipment Buyer reserves the right to purchase elsewhere and to charge Seller with any loss incurred unless such delay is due to unforeseeable causes beyond the control of Seller.

4. INSPECTION AND ACCEPTANCE For all goods and services delivered hereunder, time shall be of the essence. Buyer shall have the right but not the obligation, to inspect and test all supplies, equipment, materials, processes, and workmanship at all times and places including during the period of manufacture, and in any event prior to acceptance. Whether or not Buyer inspects or tests items, Seller shall not be relieved from any responsibility regarding defects or other failures to meet Purchase Order requirements which may be subsequently discovered, including latent defects. Goods or services rejected as not conforming to this Purchase Order will be held for Seller's instruction and at Seller's risk, or Buyer may in addition to any other rights and remedies, it may have, reject and return goods or require re-performance of services at Seller's expense if defective or not in compliance with the terms of this Purchase Order, seller shall have no right to payment prior to Buyer's inspection and acceptance. Buyer shall have the option to withhold payment for goods or services found upon inspection or use to be defective or non-conforming, or for Seller's breach of this Purchase Order. Any payment made hereunder or other action taken in respect of rejected goods or services shall not prejudice any rights or remedies Buyer may have to seek redress for any defect in the goods or services or any other breach of this Purchase Order and Seller shall promptly refund any payments Buyer has made with respect to such non-conforming goods or services.

5. CHANGES Buyer may at any time change packing, destination specification, designs, drawing and delivery schedules. Any material difference in price or time for performance resulting from such changes shall be equitably adjusted in writing.

6. WARRANTIES/QUALITY (a) In addition to all warranties established by law. Seller hereby warrants and agrees that:

(i) All goods and services covered by the Purchase Order shall conform to the specifications, drawings, samples or other descriptions furnished by Seller or provided by Buyer as the case may be and shall be merchantable, fit for purpose intended of the best quality and workmanship and free from all defects in materials design or manufacture.

(ii) The use or sale of any goods or services delivered hereunder, or any part thereof, exact goods or services produced for Buyer's drawing or specification, does not infringe any patent, trademark or copyright or other intellectual property right, or violate any trade secret held by any third party.

(iii) The foregoing warranties shall survive any inspection and/or acceptance of goods and performance of services hereunder.

(b) Seller shall not deliver to Buyer under any Purchase Order any item(s) manufactured by a process or containing raw materials, or proportions of raw materials different from the process, raw materials, or proportion of raw materials previously used by Seller in the manufacture of the item(s) covered by the Purchase Order unless prior to delivery of same Seller shall have notified Buyer in writing thereof and Buyer shall have agreed thereto in writing.

7. TITLE/RISK LOSS (a) Title to and risk of loss of all goods provided by Seller hereunder, shall remain in Seller until delivery and acceptance of goods at Buyer's facility, and title to all materials, incorporated into or affixed to Buyers' premises or equipment shall remain in Seller until full completion of all services and acceptance thereof by Buyer. Until these conditions are met, Seller shall bear the risk of loss, destruction, injury or damage to goods and services provided by Seller. Seller warrants that all goods or services furnished hereunder will be delivered free from any and all security interest, liens, encumbrances and claims of any nature, and that Seller has good title to the same and transfer of title is rightful.

(b) Tools, dies, molds, and any other materials of any kind furnished by Seller by Buyer or paid for by Buyer and used by the Seller for Making Buyer's parts, shall be the property of Buyer, shall be used only in filling orders for Buyer, shall be held at Seller's risk, shall be kept insured by Seller while in its custody or control in an amount equal to the replacement cost thereof with the loss payable to Buyer and upon notice to Seller, shall be subject to withdrawal at any time at no charge to Buyer.

8. COMPLIANCE WITH LAW (a) Seller covenants, represents and warrants that all goods and services provided hereunder, all packaging, labeling and transportation of such goods, all promotional and advertising materials supplied with such goods and all consumer representation and advertising by Seller in relation to such goods shall comply with all applicable federal, state, provincial and local laws, ordinances, regulations, policies, directives, by-laws, orders, building codes, fire codes, permits and approvals of the proper public authorities in connection with the performance of services and sale and transportation of goods to Buyer (including, without limitations, those relating to the environment, health and safety), and shall secure and pay for all consents, approvals, inspections, licenses and permits, from all government and regulatory authorities, which may be required in connection therewith. Without limited the foregoing with respect to goods or services to be delivered in the U.S. Seller shall comply with all Executive Orders, including those relating to Equal Employment and Affirmative Action, Veterans, Disadvantaged Business, Enterprise and Employment of the Handicapped and will comply with all rules and regulations being incorporated herein by reference. With respect to goods or services to be delivered in Canada, Seller shall be solely responsible for all employer-related obligations in respect to its employees including its obligation under applicable workers' compensation legislation, the *Income Tax Act* (Canada), Canada Pension Plan remittances and other remittances required under applicable law.

(b) For goods to be delivered into the U.S., Seller certifies and guarantees that the goods supplied hereunder are in compliance with applicable sections of the Federal Hazardous Substances Act (15 U.S.C. Sec 2051 et. seq.) as amended, and the Consumer Product Safety act (15 U.S.C. Sec. 1261 et. seq.) as amended, and lawful standards and regulations hereunder. Further, Seller warrants that each chemical substance constituting or contained in goods sold or otherwise transferred to Buyer hereunder is on the list of chemical substance, compiled and published by the Administrator of the Environmental Protection Agency pursuant to the Toxic Substance Control Act, (15 U.S.C. Sec. 2601 et. seq.) as amended. In accepting a Purchase Order, Seller represents that the goods to be furnished there under were or will be produced in compliance with the requirements of the Fair Labor Standards Act of 1933, as amended, including Section 12(a).

(c) Seller shall provide certificates of origin relating to the goods purchased hereunder within the meaning of the rules or origin of NAFTA preferential duty provision, which will include a statement as to whether the goods in question were produced in the United States, Mexico, or Canada, or if the country of origin or manufacture is not NAFTA eligible, then a statement as to the country of origin or manufacture.

9. SAFETY (a) Seller shall, at its expense, obtain from all subcontractors and material retained by Seller waivers and releases of all liens which may be imposed by them against the items sold hereunder, premises of Buyer or the improvement thereon in connection with the performance of the Purchase Order and Seller shall defend, indemnify, and hold harmless Buyer with respect thereto.

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(b) Flammable or toxic liquids, gases, other hazardous material, or dangerous conditions may be present in equipment or work areas involved in the performance of this Purchase Order on Buyer's premises. Seller is aware of and has investigated such equipment and work areas and shall take extreme care in the performance of work on Buyer's premises and assumes all risk of personal injury and property damage incurred or suffered by Seller, its employees, agents and subcontractors in connection therewith. For work to be performed on Buyer's premise. Seller agrees to comply at all times with Buyer's safety rules and requirements and shall take such safety protection measures and precautions as are required by applicable laws.

(c) To the fullest extent permitted by applicable law, Seller shall defend indemnify and hold harmless Buyer, its officers, directors, employees and agents from and against all claims, damages, losses and expenses including legal fees made or incurred by a third party and arising out of related to or resulting from the work by Seller its agents or servants and/or employees performed on Buyer's premise, whether such claim, damage, loss or expense is attributable to bodily injury, sickness disease or death or injury to or destruction of tangible property, including loss of use thereof (except to the extent caused by the negligence of Buyer as finally determined by a court of competent jurisdiction).

10. TERMINATION Buyer reserves the right to terminate this Purchase Order and delivery of all undelivered goods and unperformed services for any reason whatsoever at any time in its sole discretion by written or oral notice without any liability of Buyer to Seller. In addition to all rights and remedies Buyer may have, Buyer reserves the right to cancel all or part of this Purchase Order if Seller breaches any of the terms and conditions of this Purchase Order. In the event Buyer terminates a Purchase order in whole or in part because of any default by Seller, Buyer may procure, upon such terms and in such manner as Buyer may deem appropriate, items or services similar to those so terminated, and Seller shall be liable to buyer for any excess costs of such similar items or services, provided that Seller shall continue the performance of a Purchase Order to the extent not terminated under the provisions of this Section 10. Buyer shall not be responsible for consequential special or contingent damages should Buyer terminate a Purchase order, the rights and remedies of Buyer provided in this Section 10 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Purchase Order.

11. OWNERSHIP OF DRAWINGS, PLANS AND SPECIFICATIONS Title to the originals and all copies (including computer disks and other electronic media) of all plans, blueprints, drawings, specifications, schedules, computation data, studies, reports and other items furnished to Seller or deliverables prepared by Seller for the account of Buyer in connection with the performance of services or sale of goods, shall be and remain in Buyer. All such originals and copies shall be promptly delivered to Buyer upon completion of all work. No disclosure, description or other communication completion of all work. No disclosure, description or other communication of any sort shall be made by Seller to any third person of the fact of Buyer's purchase of goods or services hereunder, or of the details and characteristics thereof, without Buyer's prior consent in writing.

12. INDEMNITY Seller agrees that it will at its own expense defend indemnify and hold Buyer its parents, affiliates and subsidiaries and their respective shareholders, officers, directors, employees and agents harmless from, and against all present and future claims, demands proceedings, litigation, liability, claim, expense and cost (including legal fees and expense, fines and penalties) arising out of or in connection with any (a) claimed or actual infringement or contributory infringement of any patent, copyright, trademark, or any other intellectual property right, or violation of any trade secret by the goods or services and use of the same, (b) personal injury to or death of any person, including, without limitation, employees of Seller, its agents and subcontractors, or damage to any property whatsoever (including, without limitation damage caused by any release, spill or escape or, pollutants or contaminants) arising out of or in connection with Seller's performance hereunder or the goods or services provided or performed by Seller, (c) labor or material liens, fees, commissions or other compensation claimed by any third party because of any goods, materials, services or work allegedly provided performed or rendered to or for Seller in connection with this Purchase Order, or (d) breach by Seller of any of

the terms and conditions contained in this Purchase Order. Seller's obligation to defend, indemnify and hold Buyer harmless shall survive any acceptance, rejection or resale of goods, materials, equipment or services.

13. INSURANCE (a) Seller and its subcontractors shall maintain in full force and effect at their expense the following minimum insurance coverage's utilizing such insurance companies who have at least an A.M. Best Company Rating of A- or greater.

- (i) Workers' Compensation and Occupational Disease Coverage in accordance with the laws of the State within whose jurisdiction the work is performed.
 - (ii) Employers Liability Coverage with minimum limits of: \$500,000 Bodily Injury by Accident; \$500,000 Bodily Injury by Disease and \$500,000 Bodily Injury by Disease Each Employee.
- (b) Commercial General Liability Insurance including but not limited to the following coverage's:
1. Premises / Operations Liability
 2. Explosion, Collapse and Underground Hazards Included
 3. Products / Completed Operations Hazards Included
 4. Contractual Liability Coverage Included
 5. Broad Form Property Damage Liability Included
 6. Independent Contractors (Contractors' Protective) Liability
 7. Personal Injury Liability
 8. The Limits of Insurance shall be as follows:
\$2,000,000 General Aggregate Limit (Other than Products / Completed Operations)
\$1,000,000 Products / Completed Operations Aggregate Limit
\$1,000,000 Personal and Advertising Injury Limit
\$1,000,000 Each Occurrence Limit

(c) Comprehensive Automobile Liability Insurance covering all owned, non-owned and hired vehicles with a minimum limit of \$1,000,000 Combined Single Limit. In addition to the coverage's outlined above, Excess Umbrella Liability should be maintained in effect with a minimum limit of \$2,000,000. Such coverage is to be excess over section aii, section b and section c as identified above, unless such underlying coverage's are written in the amount of \$3,000,000 or more.

(d) If Seller is performing services at buyer's premises, Seller should provide Installation Floater / Builders Risk Coverage that provides All Risk Physical Damage Insurance on all Seller's and its subcontractors equipment, tools, equipment, material and machinery, including property of employees, in an amount equal to 100% of the full replacement costs.

"GT Technologies, Inc. and its affiliates and subsidiaries" will be named as an additional insured under all such insurance policies other than Workers compensation and prior to the start of work. Seller must furnish Buyer with a Certificate of Insurance evidencing same. All policies shall be endorsed to provide Buyer with thirty (30) days advance written notice of material change, cancellation or non-renewal of coverage. Such insurance as in afforded by all liability policies maintained by Seller shall be primary to and non-contributory with any other insurance or any self-insurance or deductibles available to Buyer and shall include a cross liability and severability of interest clause. Each policy shall be endorsed to include a waiver of Sellers and its subcontractors' rights of recovery and their insurance carrier's right of subrogation against Buyer, its parent, affiliates, subsidiaries, officers, employees and agents. Failure of Seller to keep the required insurance policies in full force and effect during provision of goods and services hereunder shall constitute a breach of this Agreement. The obligation of Seller to carry insurance shall not limit in any way the obligations undertaken by Seller elsewhere under this Purchase Order.

14. SET-OFF All monies due or to become due from the Buyer, under this Purchase Order including claims of assignees, shall be subject to deduction of Buyer of any set-off or a counterclaim arising out of this or any other of buyers purchase orders or contracts with Seller whether such set-off or counterclaim arose before or after such assignment.

15. INSOLVENCY Buyer may cancel all or part of this Purchase Order without any further liability to Seller, its successors or assigns, if Seller becomes insolvent or ceases to do business as a going concern, or a receiver is appointed in respect of all or part of the property and assets of seller or if any proceeding is commenced by or against Seller for any relief under any bankruptcy or insolvency laws or laws relating to any reorganization

arrangement or winding-up, or if Seller makes an assignment for the benefit of creditors.

16. FORCE MAJEURE Neither party shall be liable in damages or otherwise if, any reason of any cause beyond its reasonable control including but not limited to an act of God or public enemy, strike, lockout, boycott, picketing, riot, insurrection fire, explosion, or any governmental order, it shall be delayed in or prevented from performing its obligations under this Purchase Order. If as a result of any such force majeure event, Seller is unable to perform for a period of more than fifteen (15) days. Buyer may cancel Purchase Order. If Buyer does not exercise such right, the terms of this Purchase Order will be extended by the number of days Seller is unable to work.

17. NON-COLLUSION Seller warrants that Seller has not and will not directly or indirectly, enter into any agreement, participate in a collusion or otherwise take any action in restraint of free or competitive bidding, including, but not limited to, any offer or promise of future employment or business opportunity by or for any contractor or subcontractor, or any personnel of Buyer or its contracts or subcontractors associated with this transaction.

18. ANTI-KICKBACK When Seller has reasonable grounds to believe that a Buyer or Seller's employee, subcontractor or subcontractor employee, directly or indirectly, solicited, accepted or attempted to accept any money, fee, gratuity, offer or promise of future employment or business opportunity, or thing of value of any kind for the purpose of improperly obtaining or rewarding favorable treatment in connection with a contract or subcontract associated with Buyer. Seller shall promptly report in detail the possible misconduct to Buyer.

19. SUBCONTRACTORS AND SUPPLIERS Any subcontractors and material suppliers shall be approved in writing by Buyer, such approval not to be unreasonably withheld. Seller shall be fully responsible for the acts and omissions of its subcontractors and suppliers, and of persons directly or indirectly employed by them. Buyer shall not control, direct or supervise or have any right to control, direct or supervise, the performance of subcontractors or other persons employed by Seller.

20. INDEPENDENT CONTRACTOR Notwithstanding any provision of this Purchase order, Seller shall at all times stand in relationship to buyer as an independent contractor and shall not be deemed an employee a joint venture, a principal, agent or partner of buyer in the performance of services or sale of goods.

21. SEVERABILITY If any clause, phrase or provision of this Purchase Order shall be held by a court of competent jurisdiction to be illegal, void or unenforceable in any jurisdiction, such provision shall be of no force and effect as to that jurisdiction, but the illegality or unenforceability of such provision shall have no effect upon and shall not impair the enforceability of any other provision of this Purchase Order, which shall remain in full force and effect.

22. ASSIGNMENT Seller shall not transfer, assign, pledge or hypothecate its duties and obligations under this Purchase Order, or any monies earned by Seller under this Purchase Order, without the written consent of Buyer having been first duly obtained. In the event of any such permitted assignment, Seller shall remain liable for the full performance of Seller's obligations under this Purchase order.

23. WAIVER No delay or failure by Buyer in exercising any rights under this Purchase Order and no partial or single exercise thereof including without limitation, payments in whole or in part by Buyer, shall constitute a waiver of such rights or any other rights hereunder.

24. GOVERNING LAW This Purchase Order shall be governed and construed in accordance with the laws of the Province or State in which the goods or services are ultimately delivered or performed, as applicable. The application of the U.N. Convention or Contracts for the International Sale of Goods is expressly excluded.

25. LANGUAGE The parties have required that this Agreement and all documents and notices relating to this Agreement be drawn up in the English language.