

Purchase Order Terms and Conditions

1. Acceptance of Agreement:

These Terms and Conditions, the purchase order(s), any attached exhibits, supplements and/or schedules supplied or agreed to by Stackpole Powertrain International, ULC ("Buyer") and Buyer's Supplier Requirements Manual, as amended or updated from time to time (the "Manual") constitute the entire agreement (the "Agreement") between Buyer and the party shown on the purchase order as the seller ("Seller") and supersede all prior negotiations and communications. Seller's acknowledgment of, commencement of work or delivery under Buyer's purchase order for goods, materials, tooling, supplies, equipment and/or related services and/or work, as described on the purchase order (collectively referred to herein as "Goods"), will be deemed Seller's acceptance of this Agreement. The Agreement for any particular purchase order shall not be binding on Buyer until the purchase order has been signed or duly authorized by Buyer. Buyer and its "Affiliates", defined as those entities that control, are controlled by, or are under common control with the relevant party, may purchase Goods under this Agreement. The terms on Buyer's purchase order will control over any conflicting terms in these Terms and Conditions. Any terms and conditions provided by Seller will be superseded by the Agreement, and any terms and conditions proposed by the Seller which are different from or in addition to this Agreement are expressly rejected by the Buyer and shall not become a part of this Agreement. As used in this Agreement, the term "business day" means any day other than Saturday, Sunday or a statutory holiday in the province of Ontario.

2. Delivery:

Deliveries must be made in the quantities and on the date and at the time specified on the purchase order or as otherwise requested by Buyer. Buyer has no liability for payment for Goods delivered to Buyer that are in excess of the specified quantities and outside the required delivery dates. All settlements will be based on Buyer's weights or counts. Time is of the essence for Seller's performance of all of its obligations under this Agreement. If at any time Seller has reason to believe that deliveries will not be made by the delivery dates required by Buyer, Seller will immediately notify Buyer in writing of the cause and duration of the anticipated delay. If Seller fails to meet the delivery dates for the Goods, other than by reason of an event of force majeure (as set out in paragraph 24), Buyer may, without limiting its rights or remedies available hereunder or at law, demand expedited shipment and/or incur premium freight or transportation costs and Seller shall pay and reimburse Buyer for all additional costs incurred thereby. Seller shall be responsible for all other direct, consequential and incidental damages incurred by Buyer as a result of Seller's failure to meet the delivery dates, including the cost of any line shutdown and cost of obtaining goods from an alternate source. Buyer is not obligated to purchase the Goods or any other goods or services exclusively from Seller.

3. Authorization and Capacity Requirements:

Seller shall comply at all times with the authorization and capacity requirements for the Goods set out in the Capacity Rates and Authorization Addendum.

4. Shipping Instructions and Risk of Loss:

Productive Parts Approval Process ("PPAP") submittal of samples of the Goods is required as documented in the AIAG PPAP Manual, prior to making the initial shipment. Unless the purchase order states otherwise, all Goods will be shipped freight prepaid, and all risk of loss, injury or damage to the Goods are defined by the provisions of DDP (Incoterms® 2010) Buyer's selected destination. Seller must suitably pack, mark and ship all Goods to insure lowest transportation cost and in strict accordance with Buyer requirements. No charges may be made for packing, boxing, labeling, crating, storage or returnable cartons unless otherwise agreed to in writing by Buyer. All packing slips, invoices and/or bills of lading must display the purchase order number. All original bills of lading or express receipts must be immediately sent with each shipment to Buyer upon shipment, as well as all required shipping, customs, certificate of origin and any other regulatory paperwork. Buyer reserves the right to reject any C.O.D. shipments, Goods sent on a sight draft basis and those not accompanied by appropriate documentation. Seller shall inform Buyer if any Goods are hazardous materials or subject to additional regulations and shall immediately, prior to shipment of said Goods, supply Buyer with all applicable information and materials in connection with the Goods.

5. Payment, Invoices and Taxes:

Buyer agrees to pay for the Goods within 90 days following Buyer's receipt of a complete, correct and valid invoice for the Goods. Seller shall include a complete and accurate list of all items and charges relating to the Goods, listed separately with reasonable detail and as requested by Buyer. Without limiting the generality of the foregoing, Seller shall segregate and list charges applicable to design and tryout costs, tooling aids (patterns, tool or die models, templates, tamastone molds, master hobs, etc.) and any overtime premiums, which are part of the price shown on the purchase order. Seller warrants that prices shown on the purchase order shall be complete and

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no additional charges of any type shall be added without Buyer's prior written consent. Such additional charges include, without limitation, shipping, packaging, labeling, customs and duties, labour, material, storage, insurance, boxing and crating. Invoices may not be dated or issued prior to the shipping date unless otherwise stated on the purchase order. All invoices must contain the purchase order number. Each party agrees to collect, remit and pay all taxes that arise out of the sale of the Goods as required by applicable law, or in the case of import/export taxes, in accordance with the Incoterms specified in this Agreement or on the purchase order, if different. Seller shall separately list all taxes that are required to be paid for the sale of the Goods as required by applicable law.

This contract includes all related customs, duty and import drawback rights, if any, (including rights developed by substitution and rights which may be acquired from the Seller's suppliers) which the Seller can transfer to the Buyer. Seller agrees to promptly inform the Buyer of the existence of any such rights and upon request to supply such documents as may be required to obtain such drawback.

6. Warranties:

Seller expressly warrants that the Goods and Buyer's Property (as defined below) that is supplied by Seller: (a) conform to all standards, specifications and drawings communicated or provided by Buyer, or provided by Seller and accepted by Buyer; (b) are merchantable; (c) are fit, sufficient and suitable for the particular purpose for which Buyer intends to use the Goods, including the specified performance requirements in or of the component, system, subsystem and vehicle location and the environment in which they are or may reasonably be expected to perform; (d) are free from defects in materials and workmanship; (e) are free from any defects in design, to the extent furnished by Seller or any of its subcontractors or suppliers, even if the design has been approved by Buyer; (f) are free from liens, security interests and any encumbrances whatsoever; (g) comply with all applicable laws, regulations, rules, codes and standards of the jurisdictions in which the Goods and any products containing the Goods are sold; (h) meet the requirements of TS16949, ISO9001, and/or Buyer's quality and other specifications stated on the purchase order, and the applicable original equipment manufacturer (OEM) warranty and quality requirements imposed by Buyer's customer or end-user; (i) all key characteristics of the Goods meet a minimum long-term Cpk (as specified in Buyer's drawings, designs and/or specifications); and (j) conform to any other express warranties Seller may have made to Buyer (collectively the "Seller's Warranties"). Seller expressly acknowledges and agrees that Seller is aware of Buyer's intended use for the Goods, including the intended use in Buyer's customers' products, and expressly warrants and guarantees that the selection, design, manufacture and assembly of the Goods will be fit and sufficient for the intended use. If Seller or any of its subcontractors or suppliers is responsible for the design of the Goods, Seller warrants that they will be suitable for use by Buyer, including installation by Buyer in its customers' products. Buyer's written approval of designs furnished by Seller, or Buyer's payment for, inspection or receipt of Goods will not relieve Seller of its obligations under Seller's Warranties and Seller waives all defenses of reliance on same.

The warranty period shall begin on the date the Goods are delivered to Buyer and shall extend for the later of **[five (5)]** years or the maximum warranty period that can be imposed on Buyer pursuant to the terms and conditions applicable as between Buyer and its customer, where the Goods will be sold or incorporated into goods or services that will be sold by Buyer to an original equipment manufacturer of vehicles, directly or indirectly.

The foregoing warranties are in addition to any other warranties customarily made by Seller and any implied warranties available by law.

7. Quality Control:

Seller agrees to provide and maintain inspection and quality control systems covering the Goods acceptable to Buyer, and to participate in product development programs at the request of Buyer. Seller agrees to maintain records of all inspection work and make them available to Buyer upon request. All Goods may be subject to inspection, review and testing by Buyer or its agents, representatives or customers, at no additional cost, at all reasonable times and places, including inspection and testing after arrival at destination, and, when practicable, during manufacture, to verify that Goods conform to specifications and that all required systems and controls are in place and followed. Failure by Buyer to inspect the Goods does not relieve Seller of any of its obligations or affect any of Buyer's remedies under this Agreement. In case any Goods are found to be defective in material or workmanship or otherwise not in conformity with the Agreement, Buyer has the right to require their correction at no additional cost or cancel the order. Goods which are delivered and which do not conform to the purchase order or which do not meet Seller's Warranties ("Nonconforming or Defective Goods") may be corrected or repaired, or returned for refund or credit (at Buyer's option) to Seller at the Seller's expense and risk, unless otherwise agreed. Failure to correct, repair or issue a refund or credit, as requested by Buyer, for Nonconforming or Defective Goods in a timely manner shall relieve Buyer of its obligation to pay for such Goods. Seller shall not replace Nonconforming or Defective Goods or charge Buyer for them unless Buyer issues a new purchase order. Payment for Goods on any purchase order will not constitute Buyer's acceptance thereof, nor will acceptance be deemed a waiver of Seller's liability for latent defects or nonconformance or failure to meet Seller's Warranties. In addition, if a special production run is made for Buyer then the first Goods produced may be subject to first article acceptance by Buyer

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prior to further fabrication. Acceptance by Buyer of the first article will not be considered acceptance of all subsequent Goods. Nonconforming or Defective Goods shall be held at Seller's risk and at a location as determined by Buyer. If Seller fails to provide written instructions within five (5) business days after notification of non-conformance, Buyer shall be entitled to dispose of such Goods at its discretion and with no liability to Seller. If requested by Buyer, Seller shall not resell Nonconforming or Defective Goods to any other party.

8. Competitive Requirement.

Seller agrees to remain competitive with regard to price, quality, design and technology. If, in the reasonable opinion of Buyer, the Goods do not remain competitive in any of these respects, Buyer will, to the extent it is free to do so, advise Seller in writing of the area(s) in which another product is more competitive with respect to price, quality, design and/or technology. If, within 30 days, Seller does not agree to immediately sell the Goods at a competitive price or, if applicable, with comparable technology, design or quality, Buyer may terminate the purchase order and purchase from another supplier without liability to Seller. Buyer and Seller will use their best efforts to implement cost savings and productivity improvements to reduce costs. Any cost savings resulting from ideas, improvements, processes, designs or changes provided by Buyer will be fully passed on by Seller by reducing the price of the Goods charged to Buyer. If any such ideas, improvements, processes, designs or changes are generated solely by Seller, the parties will agree on the price reduction that will apply to the Goods.

9. Intellectual Property:

Seller grants to Buyer a worldwide, non-exclusive, perpetual, irrevocable, sub-licensable and royalty-free license to use Seller's intellectual property or similar proprietary rights as are reasonably necessary in order for Buyer or its downstream customers to fully exercise their rights in and to the Goods and to use the Goods for their intended purposes. Such license shall include the right to maintain, repair, reconstruct or rebuild the Goods, or to contract others to do so. Seller represents and warrants that it has the right to grant the foregoing license to Buyer. If Seller requires an assignment, license or waiver of any intellectual property or other proprietary rights from a subcontractor, employee or other third party in order to comply with the foregoing obligation, Seller shall acquire such assignment, license or waiver in favour of Buyer and its downstream customers without delay, at its expense.

Seller represents and warrants that the Goods, any related goods or materials furnished by Seller or Seller's Affiliates, and the use of any of the foregoing for their intended purposes, do not and will not violate, infringe or constitute a misuse or misappropriation of any patent, trademark, copyright, industrial design, or other intellectual property or similar proprietary right of a third party, worldwide, including any third party rights in confidential information, trade secrets or other proprietary information.

If Seller performs or has performed research, design or development work or activity for which Buyer compensates Seller, either in a separate charge or included in the cost of prototype or production materials, then any and all intellectual property rights or other similar proprietary rights, whether registered or unregistered (including inventions, designs, discoveries, technology, information and data generated by Seller related to the sale of the Goods), that arise as a result of the performance of such research, design or development work or activity ("Project IP") are the sole and exclusive property of Buyer. Seller represents that it has obtained all necessary assignments and waivers (including moral rights waivers) from subcontractors, employees or agents involved in creating Project IP, and Seller hereby assigns and transfers all rights in and to Project IP to Buyer as and when such rights arise. Seller agrees to disclose all Project IP promptly to Buyer, and to do all things and take all steps as may be necessary or desirable to obtain, register, maintain, defend or enforce rights in the Project IP and to vest full title in the Project IP in Buyer or its nominee, in any country. To the extent that Buyer requires a license or assignment of rights from one or more third parties in order to make full use of Project IP, Seller shall use best efforts to obtain such license or assignment from all necessary third parties.

Buyer or its customers may provide or disclose valuable intellectual property to Seller, including products, parts, materials, tools, documents, drawings, specifications and information ("Buyer IP"). Seller may use Buyer IP solely for purposes related to carrying out Seller's obligations to Buyer and in order to supply Goods to Buyer in accordance with this Agreement. Seller may not make any other use of Buyer IP without Buyer's prior, written authorization.

10. Confidential Information:

Seller understands that Buyer considers all information delivered to Seller by Buyer, Project IP and Buyer IP, in any form, to be confidential and proprietary ("Confidential Information"). All Confidential Information remains the property of Buyer, and must be returned to Buyer promptly upon Buyer's request. Seller agrees to maintain the confidentiality of such information in perpetuity and shall not use Confidential Information other than for purposes of performing Seller's obligations under this Agreement. Nothing in this

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Agreement shall be construed as granting or conveying to Seller any right, license or authority to the Confidential Information except for the limited purposes stated herein. Seller is strictly prohibited from using Confidential Information for goods or services provided by Seller to any third party. The confidentiality obligations in this paragraph do not apply to Confidential Information that: (a) is or becomes public knowledge other than through the unauthorized disclosure by Seller; (b) is received legally by Seller without restriction on disclosure from a third party who has the right to make such disclosure; or (c) is required to be disclosed to comply with a judicial order or decree. Confidential Information may only be used by those employees and contractors of Seller who are bound by nondisclosure obligations protecting Buyer's Confidential Information and who have a need to receive it in order to fulfill Seller's obligations under this Agreement. Seller shall take steps to secure and protect Confidential Information in the same manner that it uses with respect to its own confidential information, and in any event with at least the same measures used by prudent members of the industry. Nothing in this Agreement shall be construed as limiting or restricting the obligations of Seller under any confidentiality or non-disclosure agreement entered into by Seller with respect to information received from Buyer and the terms of all such agreements continue to be in full force and effect as against Seller.

11. Cancellation:

Buyer may terminate this Agreement or cancel all or any part of a purchase order, at its option, without payment or further liability with notice to Seller if: (i) Seller breaches any of the terms of this Agreement; (ii) Seller becomes insolvent or bankrupt, or makes an assignment for the benefit of its creditors, appoints a receiver or trustee or takes any proceeding under any applicable statute relating to insolvency, or dissolves, liquidates or otherwise ceases to carry on business; (iii) Seller does not make deliveries as specified in the purchase order or schedules; (iv) Seller fails to make progress so as to ensure timely and proper completion and delivery of the Goods; (v) in Buyer's reasonable discretion it determines that delivery in accordance with the delivery schedules is endangered; or, (vi) the order from Buyer's customer that incorporates the Goods is cancelled or suspended. In addition to any other rights of Buyer to cancel or terminate a purchase order or this Agreement, Buyer reserves the right to cancel all or any part of a purchase order for its convenience upon written notice to Seller. When the cancellation is for convenience, Seller may submit a claim to Buyer for reimbursement of costs. Any claim must be submitted within 30 business days of the effective date of the cancellation and include sufficient supporting data to permit Buyer to verify the claim. Buyer will pay verified claims for the following, without duplication: (a) previously delivered unpaid Goods conforming to the purchase order and Agreement; (b) any outstanding balance on Buyer's Property (as defined below); (c) undelivered finished Goods conforming to the purchase order and Agreement and produced in accordance with Buyer's delivery or release schedules; (d) actual costs incurred for work-in-process and raw materials (excluding overhead and other selling, general and administrative expenses) ordered in accordance with Buyer's delivery or release schedules and which Seller cannot use to produce goods for itself or other customers, to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of the purchase order; and (e) other related costs which Buyer may elect to pay in its sole discretion, and all of the foregoing is less the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent. Notwithstanding the foregoing, Buyer will make no payments for finished goods, work-in-process or raw materials fabricated or produced by Seller in amounts in excess of those authorized by Buyer's delivery or release schedules or for any undelivered goods which are in Seller's standard stock or which are readily marketable. Buyer's payment under this paragraph shall not exceed the aggregate price payable by Buyer for finished goods under the purchase order(s) being terminated, which would be produced by Seller under delivery or release schedules outstanding at the date of termination. Payment under this paragraph is conditional upon Buyer's receipt of all claimed finished and unfinished Goods, Buyer's Property, work-in-process and raw materials. Payment under this paragraph constitutes Seller's sole and exclusive remedy in respect of such termination. Any cancellation of this Agreement does not excuse Seller from its performance of any obligations accrued prior to such cancellation. Any cancellation of a purchase order by Buyer under this paragraph shall not cancel or affect Seller's obligations under any other purchase order of this Agreement, unless Buyer provides notice otherwise. Notwithstanding the foregoing, in no event shall Buyer be liable for or be required to make payments to Seller, directly or on account of claims by the Seller's subcontractors, for loss of anticipated profit, overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, termination or cancellation fees or general and administrative burden charges from termination of a purchase order or Agreement. **[FOR DIE CASTING: If the Goods are dies, the cost of perpetual cavity replacement is included in the agreed upon price as set out in the purchase order and is not subject to any additional costs for the purpose of cavity replacement. In the event that the Goods are moved from Seller's premises, Seller and Buyer will mutually agree to either: (a) have Seller refund all monies accrued since the last cavity replacement based on the number of subsequent shots produced, or (b) installation of new cavities to bring the die(s) to PPAP approved condition.]**

12. Buyer's Property:

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Any property, including but not limited to equipment, tools, fixtures, dies, jigs, molds, patterns, gauges or materials, furnished either directly or indirectly by Buyer to Seller in connection with this Agreement, or which Buyer buys from, or gives reimbursement to, Seller in whole or in part (collectively, "Buyer's Property") will be and remains the sole property of Buyer and will be held by Seller on a bailment basis. Seller agrees that Buyer has the right, at any time to retake possession of or request the return of Buyer's Property. While in Seller's custody or control, Seller bears the risk of loss, theft and damage to Buyer's Property and shall maintain Buyer's Property in good condition and repair, at its own cost. Seller agrees to keep Buyer's Property free from all liens and encumbrances and insure the Buyer's Property against loss or destruction at its own cost. Seller must permanently mark all Buyer's Property as required by Buyer. At all times, Seller will: (a) use Buyer's Property only for the performance of this Agreement, (b) not deem Buyer's Property to be personal, (c) not move Buyer's Property from the address designated on the purchase order without prior written approval from Buyer, and (d) not sell, transfer or otherwise dispose of Buyer's Property without prior written consent by Buyer. Buyer has the right to enter Seller's premises at all reasonable times to inspect or retrieve Buyer's Property and inspect Seller's related records. Buyer's Property shall be delivered to Buyer in no less the same condition as originally received by Seller, reasonable wear and tear excepted, but capable of meeting Buyer's requirements.

13. Production Equipment:

Unless otherwise stated on the purchase order, Seller at its own expense must furnish, keep in good condition and replace when necessary, all equipment, dies, tools, gauges, jigs, fixtures, patterns, or other items necessary for the production of the Goods (the "Production Equipment"). Buyer reserves the right to take possession of and title to any Production Equipment that is special for the production of the Goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided that this option shall not apply if the Goods are standard products of Seller, or if substantial quantities of like Goods are being sold by Seller to others.

14. Service and Replacement Parts.

Seller will sell to Buyer goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the price(s) set forth in this Agreement. If the Goods are systems or modules, Seller will sell the components or parts that comprise the system or modules at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the fifteen (15) year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first three (3) years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, both parties shall agree to the price(s) and service lot sizes.

15. Change in Specifications:

Buyer reserves the right to make changes in design and specifications for any Goods or to otherwise change the scope of the work under the purchase order, and Seller agrees to accept any such changes subject to this paragraph. The difference in price or time for performance resulting from such changes will be equitably adjusted and the purchase order will be amended accordingly. If necessary, Buyer agrees to pay for the reasonable and actual costs of changes to the Production Equipment to effect design or specification changes ordered by Buyer. Any claim by Seller with respect to price adjustment or costs of changes to the Production Equipment shall be asserted within thirty (30) days of the notification of change by Buyer. Seller shall not make any changes to the design, specifications, process, tooling or material not requested by Buyer without Buyer's approval. PPAP submittal is required as documented in the AIAG PPAP Manual prior to making shipment after any such change.

16. Indemnity:

Seller agrees to defend, indemnify and hold Buyer, its Affiliates, and their respective directors, employees, and customers (collectively "Indemnified Parties") harmless from any and all demands, claims, damages, actions, judgments, fines, penalties, losses, expenses (including reasonable legal fees and court costs), and import and export customs fees for which the Indemnified Parties might become liable as a result of: (a) any negligent or willful act or omission of Seller, its employees, agents, suppliers or subcontractors; (b) Seller's performance or nonperformance or any breach of any provision under this Agreement; (c) failure of the Goods to meet any of Seller's Warranties; (d) Seller's failure to affix required safety warnings to the Goods or to provide adequate use instructions; (e) the Indemnified Parties' use of the Goods; (f) any physical injury, death or property damage caused by or relating to work or conduct carried out by Seller's employees, agents, subcontractors or representatives at Buyer's premises; and (g) actual or alleged violation of, infringement of, or inducement to violate or infringe, any patent, trademark, copyright, industrial design, or other intellectual property or similar proprietary right of a third party, worldwide, including any actual or alleged misuse or misappropriation of confidential information, trade

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secrets or other proprietary information, by reason of the manufacture, use or sale of the Goods, any related goods or materials furnished by Seller or Seller's Affiliates and the use of any of the foregoing for their intended purposes.

17. Right of Set-Off.

Without prejudice to any other right or remedy, Buyer reserves the right to set-off or deduct any amount owing at any time from Seller or any of its Affiliates against any amount payable by Buyer or its Affiliates to Seller or its Affiliates under this Agreement or otherwise without notice to Seller.

18. Insurance:

Seller represents that it has insurance policies in effect and agrees to furnish insurance carrier's certificates showing that Seller has worker compensation/employers liability, commercial liability/public liability and professional indemnity/product liability coverage in amounts and with insurance carriers acceptable to Buyer. Said certificates must state the amount of coverage, number of policy, date of expiration and a term giving Buyer ten (10) days prior written notice of cancellation. Seller's purchase of any insurance coverage or furnishing of the certificates does not in any manner limit Seller's liability hereunder or in any way modify Seller's obligations to Buyer. Subject to shipping terms stated on a purchase order, Seller is responsible for insurance on overseas shipments regardless of destination.

19. Remedies:

Without limiting Seller's obligations of indemnification as provided in paragraph 16, Seller will pay or reimburse to Buyer all losses, expenses, out of pocket costs, penalties and administrative costs and any other charges which Buyer incurs, including those imposed by Buyer's customer, arising from or in connection with: (a) any Nonconforming or Defective Goods, including repair and replacement, (b) any product which incorporates any Nonconforming or Defective Goods which Buyer sells to any customer, including repair and replacement of any incorporating product; (c) Seller's inability to meet delivery schedules or requirements; and (d) any recall or rejection of Buyer's goods by Buyer's customer for a reason relating to the Goods provided by Seller. The remedies provided in this Agreement are cumulative and additional to any remedies provided at law or in equity.

20. On-Site Services:

Seller agrees that while on Buyer's premises, its employees, agents, representatives and subcontractors ("Seller's Agents") will adhere to all of Buyer's company policies, rules and safety regulations. Seller shall cause all Seller's Agents to sign whatever forms are required by Buyer for confidentiality, security and administrative reasons. Only if approved in writing in advance by Buyer in connection with any services, will Buyer reimburse Seller for actual and reasonable expenses incurred (without mark-up) by Seller including travel and living expenses which are directly associated with Seller's performance of the services.

21. Compliance with Laws:

Seller warrants that in the conduct of its business it is in compliance and that all Goods are in compliance with all applicable federal, state, provincial, and local laws, rules, orders and regulations, including those of the countries (and their legal subdivisions) of manufacture, assembly, delivery, sale and use of the Goods ("Applicable Laws") and including without limitation, import and export requirements. Upon request, Seller agrees to supply Buyer with proof of such compliance in such form as may be required by any Applicable Law and as Buyer may deem necessary. If Goods are delivered to or produced in the United States of America Section 202 of Executive Order 11246, as amended, is incorporated by this reference. For Québec suppliers only: It is the express wish of the parties that this Agreement and all related documents be drawn up in English./C'est la volonté exprès des parties aux présentes que ce contrat et les documents y afférents soient rédigés en langue anglaise. Without limiting the generality of the foregoing, Seller represents and warrants that it and its subcontractors and suppliers: (i) do not engage in or permit substandard working conditions in the supply of the Goods; (ii) do not engage in or permit child labour or underage labour, as defined by Applicable Laws; (iii) do not engage in or permit any form of forced or compulsory labour and its and its suppliers' workers have the right to associate freely and join unions or similar organizations, in accordance with Applicable Laws; and (iv) abide by all Applicable Laws relating to harassment, discrimination, occupational health and safety, minimum wages, employment standards, workplace safety, and similar regulations.

22. Supply Chain Security.

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If the Goods are delivered cross border, Seller agrees to be compliant and maintain compliance with the guidelines of the applicable supply chain security programs of the importing country, e.g. for US shipments, US Customs and Border Projections Customs Trade Partnership Against Terrorism (C-TPAT); for Canadian shipments, Partners in Protection (PIP).

23. Limitation of Liability of Buyer:

None of Buyer, its Affiliates or their respective employees, agents, representatives or customers shall be liable for, or be required to indemnify Seller, its affiliates or their respective employees, agents, representatives or customers for any liabilities, claims, demands, actions, damages, losses, costs or expenses of any kind arising or resulting from this Agreement including from the manufacture, supply or sale of the Goods or the design and specifications of the Goods, except as expressly set out in this Agreement. Notwithstanding the foregoing, in case the foregoing limitation of liability is found by a court not to be enforceable, in no event will Buyer's liability for any breach, alleged breach or cancellation of a purchase order or termination of this Agreement exceed the total price shown on the applicable purchase order, nor will Buyer be liable for any incidental, punitive, indirect, exemplary, special or consequential damages resulting from any such breach, alleged breach, cancellation or termination.

24. Advertising:

Seller may not advertise or publish in any manner the existence or terms of this Agreement, relationship or materials associated with the Buyer without first obtaining the written consent of Buyer.

25. Force Majeure.

Neither party may be held responsible for delays or failures in performance under this Agreement if its performance is delayed or prevented by revolutions or other civil disorders, wars, fires, floods or acts of God (excluding strikes or other labour action) which by the exercise of reasonable diligence that party is unable to prevent, provided that delay arising from a change in cost or availability of materials or components affecting Seller shall not constitute an event of force majeure. If such delay lasts over thirty (30) days, Buyer has the option to terminate this Agreement immediately on written notice to Seller.

26. Assignment and Change of Control:

Seller may not assign this Agreement, in whole or in part, without Buyer's prior written consent. Buyer may at any time assign, transfer, charge, subcontract or deal in any other manner with all or any of its rights or obligations under this Agreement without notice. Seller shall not undergo a change in control of the ownership of Seller, whether by sale, acquisition, merger or by operation of law, without Buyer's prior written consent.

27. Independent Contractor Relationship:

Seller is an "independent contractor" and this Agreement does not create between Buyer and Seller an employer/employee, joint venture, partnership, or similar relationship nor is Buyer authorized to exercise control or direction over the manner or method by which Seller performs any services or provides Goods, except as expressly set out in this Agreement. Seller is not authorized to bind Buyer or execute any purchase order, document or other instrument on behalf of Buyer.

28. Survival:

In addition to any other term whose context may so require, the terms contained in paragraphs 6, 7, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19 and 23 will survive any termination of this Agreement.

29. Invalid Terms:

If any one or more of the provisions contained in this Agreement, or the applicability of any such provision to a specific situation, are held invalid or unenforceable by a court of competent jurisdiction, the court will determine whether to: (a) modify such provision to the minimum extent necessary to make it or its application valid and enforceable, or (b) eliminate the affected provision while leaving the rest of the Agreement intact, as long as the Goods can be delivered at substantially the same specifications, schedule and price contained in the Agreement. If the Goods cannot be delivered at substantially the same specifications, schedule and price in the Agreement, then this Agreement will be terminated.

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30. Interpretation of Agreement:

This Agreement constitutes the entire agreement of the parties concerning its subject matter, and merges all prior and other communications with respect to its subject matter. Except as otherwise provided, this Agreement may only be modified or cancelled in a written document signed by authorized representatives of both parties. The terms of this Agreement control over any terms in any acknowledgment, invoice, proposal, quote, time card or other document issued in the performance of this Agreement. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision, whether or not similar, nor will any waiver constitute a continuing waiver.

31. Governing Law:

The United Nations Convention on Contracts for the International Sale of Goods does not apply to this Agreement. This Agreement will be construed under the laws of the province of Ontario and the federal laws of Canada applicable therein. The parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the province of Ontario and courts competent to hear appeals therefrom. Each party waives its rights to a jury trial of any claim or cause of action based upon or arising out of this Agreement or its subject matter hereof.

32. Audit Rights:

At its discretion and expense, and in addition to any other rights set out in this Agreement or otherwise Buyer or its designated representative may audit, inspect and test: the Goods; relevant records; Seller's inventory, delivery, quality and production processes, including at the Seller's premises, and for purposes of verifying any claim for termination costs pursuant to paragraph 11; Seller's ability to fulfill its obligations under this Agreement; Seller's compliance with Applicable Laws; and Seller's actual performance under this Agreement.

33. Dispute Resolution:

In the event of a dispute between the parties relating to this Agreement, the parties shall each appoint a representative and negotiate in good faith to resolve the dispute. If the dispute is not resolved within 60 days, a party may provide notice to the other party that it wishes to submit the matter to non-binding mediation. The parties will promptly agree on a mediator provided that if they fail to agree within 30 days, the mediator will be ADR Chambers Canada. The costs of the mediator will be borne equally by the parties.