



SUPPLIER TERMS & CONDITIONS

RD2.2

1. ACCEPTANCE OF PO

The Purchase Order ("PO") to which these terms and conditions are attached, and into which these terms and conditions are hereby incorporated, is issued subject to the express condition that it may be accepted only on the terms and conditions contained in it. Seller shall be bound by this PO when any of the following occur: Seller executes and returns the acknowledgment copy to B&R Custom Machining Ltd. (hereinafter referred to as "Buyer"); Seller otherwise indicates its acceptance of this PO; or Seller commences performance or delivers to Buyer any of the goods ordered herein. The date on which Seller becomes bound by this PO in accordance with the above is the "Effective Date". This PO constitutes the entire agreement between the Buyer and the Seller.

2. TIME OF ESSENCE

Time is of the essence of this PO. In the event that delivery of goods is not made in the quantities and at the time or times specified, Buyer may, at its sole option and without incurring any liability and in addition to all other rights and remedies which it may have pursuant to this PO or otherwise at law or equity, take either or both of the following courses of action: (a) direct expeditious routing of goods (the difference in cost between the expedited routing and the PO routing costs to be paid wholly by the Seller); or as to goods not yet shipped, (b) terminate this PO by notice in writing and purchase substitute goods elsewhere and charge the Seller with any loss, direct or indirect, thereby incurred, including, without limitation, any loss incurred as a result of paying more for the replacement goods than would have been paid for the goods to be acquired hereunder.

3. DELAYS

Seller shall notify Buyer within twenty-four (24) hours of the occurrence of any event which could affect the delivery schedule, the price, the Seller's performance under this PO or any other condition of or action required to be taken by the Seller under this PO, whether or not such event is beyond the control of the Seller.

4. QUALITY ASSURANCE

Seller shall maintain a quality assurance program that conforms to the requirements set out in this PO, or as otherwise required by Buyer. Buyer, Buyer's customer, and their respective agents, shall have free access at all reasonable times, subject to normal and otherwise reasonable security clearances in accordance with applicable law, to Seller's and Seller's lower-tier contractors' facilities and personnel to permit monitoring of work in progress.

5. INSPECTION AND ACCEPTANCE

All goods are subject to inspection and approval by Buyer prior to acceptance by Buyer. Neither delivery of goods to Buyer, nor the goods receiving inspection, nor payment for the goods by shall constitute acceptance of goods by Buyer. Buyer shall have no obligation to pay for or give other consideration for rejected goods.

6. WARRANTY

In addition to any warranty, express or implied by law or otherwise, and notwithstanding prior acceptance by Buyer, The warranty for fraud and latent defects shall be perpetual.

7. BUYER PROPERTY

All equipment loaned or supplied to the Seller by Buyer pursuant to this PO shall remain the property of Buyer. The Seller shall be wholly liable for any damage or loss to the said equipment until returned to and accepted by Buyer.

8. CONTINUOUS PERFORMANCE

Pending the settlement of any dispute, difference or claim arising under this PO, the Seller shall proceed diligently with the performance required of it under this PO.

9. CHANGES

Buyer may at any time, by notice, make changes to this PO. If any such change causes an increase or decrease in the cost or the time required for performance under any part of this PO, an equitable adjustment in the price or delivery schedule, or both as may be required, shall be negotiated by the Buyer and Seller, and this PO shall be amended in writing accordingly. Any claim for adjustment shall be deemed waived unless asserted by written notice (including details of the claim) to be received by Buyer within twenty five (25) days of Buyer's notice to the Seller. Nothing shall excuse the Seller from promptly proceeding with the PO as amended.

10. SUSPENSION

Buyer may suspend the Seller's performance of the PO, in whole or in part, at any time, upon giving the Seller written notice. In the event that a suspension is ordered by Buyer, the Seller shall be entitled to payment for all reasonable costs allowable pursuant to the PO and incurred by the Seller in its performance of the PO up to the date of suspension. Such costs shall be subject to audit by Buyer. In no event shall payment exceed the PO price less any amount previously received by Seller.

11. TITLE AND RISK

Seller warrants that delivered goods are free of all liens, encumbrances and other defects of title. Title to the goods shall pass to Buyer upon delivery. This PO shall be performed at the sole risk of the Seller. Without prejudice to Buyer's right of rejection under "INSPECTION AND ACCEPTANCE", risk shall pass to Buyer upon delivery of the goods to the destination specified.

12. SHIPPING INSTRUCTIONS
All goods delivered shall be accompanied by a packing slip and, where appropriate, Material Safety Data Sheets. The packing slip shall provide at least the following information: a description of the items, part numbers, revision status, quantity shipped and PO number. The Seller shall comply with all requirements of the Transportation of Dangerous Goods Act (Canada).
13. CUSTOMS AND IMPORT/EXPORT
Properly completed and signed Canada Border Services Agency invoice showing number of parcels, description of the goods, description of the PO, weight, part number and serial number, quantity, unit price and selling price, country of origin, Broker, reason for export if other than "sold to", and NAFTA Certificate (where applicable) is required with every shipment of goods into Canada. The Seller shall be solely responsible for the accuracy and completeness of information provided to meet traffic and Border Services requirements and shall be responsible for all costs or delays resulting from failure to provide accurate and complete information. The Seller shall be solely responsible for obtaining and maintaining any registration or operation licenses and permits, and import or export approvals, including those in compliance with Canada's Export and Import Permits Act, Defence Production Act and the United States' Department of Commerce, International Traffic in Arms Regulations, and Export Administration Act and regulations issued thereunder, from any governmental authority in Canada, the United States, and any other applicable nation, province, state or other subdivision thereof as required for shipment, distribution of technical data, and any other disclosure or performance under this PO. The Seller shall be solely responsible for any and all costs or delays resulting from failure to comply with this Section.
14. TERMINATION FOR CONVENIENCE
Buyer has the right to terminate this PO or any part thereof at any time in its sole and absolute discretion upon giving the Seller written notice. The Seller shall immediately cease all action under this PO, and shall be reimbursed for all goods shipped, subject to acceptance by Buyer, and all expenses properly incurred to the date of termination specified in the notice. In no event shall payment exceed the PO price less any amount previously received by the Seller.
15. DEFAULT
If Seller fails to make satisfactory progress in performing its obligations hereunder, as may reasonably be determined by Buyer, or if Seller is in default of performing any obligation under the PO and fails to take steps satisfactory to Buyer to remedy the default within ten (10) days of receipt of written notice from Buyer, Buyer may at any time by notice terminate all or any part of this PO. Buyer may terminate this PO forthwith if Seller commits any act of insolvency, bankruptcy or enters into receivership, or if Buyer breaches Section 23 hereof.
16. SELLER'S LIABILITY
Seller shall indemnify and save harmless Buyer from and against all claims, demands, proceedings, damages, costs and expenses made against or incurred by Buyer which may be caused by the Seller, directly or indirectly, in whole or in part. Seller's liability shall survive delivery, acceptance, approval or use of the goods or any part thereof, by Buyer.
17. LIMITATION OF LIABILITY
Notwithstanding any other provision of this PO, Buyer's total liability resulting from or in connection with this PO shall not exceed the PO price. In no event whatsoever shall Buyer be liable for indirect or consequential damages or for loss of Seller's use or profit.
18. FINANCIAL
This is a firm fixed-price PO in Canadian dollars (unless stated otherwise on the face of this PO). The price includes all charges, including, but not limited to, charges related to packaging, preservation, transportation, delivery, taxes, costs relating to customs and duties, and shall not be subject to adjustment due to changes in rates. Any amount payable or refundable by the Seller to the Buyer may be taken by the Buyer as a cash refund or may be offset by the Buyer against payment due, or to become due, to the Seller under this or any other Purchase Order between the Buyer and the Seller, as the Buyer in its sole discretion may decide. Credits in favour of the Buyer shall not expire.
19. INSURANCE
Seller shall provide and maintain, at its own expense, adequate all-risks insurance covering the work and all premises wheresoever situated in which this PO is being performed during the entire period of performance of this PO, which insurance shall be acceptable to Buyer acting reasonably. Seller shall provide proof of such insurance upon request. Seller shall be responsible to Buyer for any and all damages incurred by Buyer including all costs and expenses arising from or due to the Seller's failure to obtain and maintain insurance.
20. ASSIGNMENT
Buyer shall have the right to transfer, sell or assign its rights and obligations hereunder upon written notice to the Seller. Seller shall not transfer, sell or assign this PO or any part thereof without the prior written consent of Buyer.
21. PUBLICITY
Seller agrees that it shall not release for publicity in any manner, style or form any information whatsoever in connection with this PO, without the prior written permission of Buyer.
22. INTELLECTUAL PROPERTY
In this section, "Intellectual Property" means inventions, patents, mask works, trademarks, copyrights, trade secrets, know-how and other proprietary information. "Foreground Intellectual Property" means all Intellectual Property which is conceived or made or reduced to a tangible medium of expression during the performance of any of the activities contemplated by this PO. "Background Intellectual Property" means all Intellectual Property which is owned or controlled by the parties on or prior to the Effective Date of this PO, but not arising from the performance of any of the activities contemplated by this PO. Each party shall continue to own all of its respective Background Intellectual Property. All Foreground Intellectual Property shall be and remain the property of Buyer.

23. APPLICABLE LAW
The laws of the Province of Ontario and the Dominion of Canada applicable therein shall govern the legal obligations of the parties and the interpretation of this PO. The parties irrevocably attorn regardless of domicile to the jurisdiction of the courts of Ontario. Seller shall comply with all applicable laws and regulations, by-laws and directives relating to the provision of goods and services hereunder, including without limitation all those relating to occupational health and safety, environmental protection, hazardous products and workers' safety insurance board requirements. The provisions of the United Nations Agreement on the International Sale of Goods are hereby excluded.
24. USE OF BUYER PROPRIETARY INFORMATION PROVIDED TO SELLER
Buyer's Proprietary Information delivered to the Seller under this PO shall be used solely for the purpose of performing the obligations contained in this PO. The Seller agrees that Buyer's Proprietary Information will not be copied or furnished to any affiliate, subsidiary company or third parties except as specifically authorized in advance by B&R Custom Machining Ltd., in writing.
25. NOTIFICATION TO BUYER
Seller is to notify Buyer of non-conforming product or deviation from Purchase Order and obtain Buyer's approval of disposition.
26. SUPPLIER RESPONSIBILITY
<p>Supplier is responsible to:</p> <ul style="list-style-type: none"> • Notify Buyer of nonconforming product • Obtain Buyer approval for nonconforming product disposition • Notify Buyer of changes in product/process, changes of suppliers, changes of manufacturing facility location, and where applicable obtain Buyer approval • Flow down to the supply chain the applicable requirements including Customer requirements • Retain records for a minimum of 13 years, unless otherwise requested/required.
27. RIGHT OF ACCESS
Buyer, their customer and regulatory authorities are to have right of access to the applicable areas of all facilities, at any level of the supply chain and to all applicable records.
28. SUPPLIER AWARENESS
<p>Supplier must be committed to the highest standards of ethics and business conduct. Supplier must comply with the law, honor commitments, act in good faith, and be accountable. Supplier must strive to maintain full compliance with all laws and regulations applicable to the operation of the business and customer relationships. Supplier must not offer, promise, authorize, or provide, directly or indirectly, anything of value (including business gifts or courtesies) with the intent or effect of inducing anyone to engage in unfair business practices. Supplier will avoid involvement in activities that may be perceived as a conflict-of-interest. Supplier will respect the legitimate proprietary rights and intellectual property rights of customers and Suppliers and take proper care to protect sensitive information, including confidential, proprietary and personal information. Supplier will support product safety by ensuring robust management of special requirements, critical items and key characteristics. If there are concerns with respect to product safety, Supplier will communicate them to B&R Custom Machining. If there is a concern at the Supplier's premises with respect to safety during the manufacture of the product, Supplier will notify its own employees of the concern and whenever possible, mitigate the concern.</p> <p>Supplier will ensure that employees and people working on its behalf are aware of:</p> <ul style="list-style-type: none"> • Their contribution to product or service conformity • Their contribution to product safety • The importance of ethical behavior