

## **PURCHASE ORDER TERMS & CONDITIONS**

### **1. ACCEPTANCE OR ACKNOWLEDGEMENT**

This order including conditions becomes a contract when the purchaser receives a written acceptance thereof or upon the seller making shipment of the goods ordered hereof on the purchase order. The term “Goods” includes but is not limited to materials, components, services and other defined items specified on the purchase order. The seller by accepting the purchase order or by shipment aforesaid shall be deemed to understand and agree that the terms and conditions herein shall bind both parties. Any quotation accepted by the purchaser shall be deemed to form part of this order and such quotation, tender and any schedules attached to this order constitute the entire agreement between the parties and no other terms and conditions whether oral or written and whether precedent or subsequent shall have any force or effect unless agreed to in writing by both seller and purchaser. The failure of either party to enforce its rights hereunder shall not constitute a waiver of such rights or any other rights in the tender of this contract.

### **2. SELLER QUOTATIONS**

Reference in this order to seller’s quotation does not imply acceptance of any terms and conditions in such quotation unless they are expressly adopted herein. Any terms and conditions in such quotation which amend or add to are inconsistent with the terms and conditions contained in this order shall be deemed null and void and of no effect.

### **3. PROCESSING OF ORDER**

The seller understands and agrees as follows:

- I. That this order must not be filled at higher prices than defined on the purchase order without appropriate consultation and approval in writing.
- II. That no charge will be allowed for boxing, packaging, or crating, carting or loading unless expressly agreed to and defined on the purchase order.
- III. That it will render a separate invoice for each order or shipment.
- IV. That it will show on all invoices, packages, bills of lading and all communications the purchasers designated number of this order and all communications will also reference this designated number.
- V. All goods must be shipped in accordance with designated routes and responsibilities defined on this purchase order and any additional costs incurred directly or indirectly through failure of the seller to abide by these conditions will be the direct responsibility of the seller for restitution.

### **4. INSPECTION**

Except as otherwise agreed in writing, all shipments shall be subject to final inspection by the purchaser after receipt by purchaser at destination. Delivery and receipt by the purchaser is not deemed acceptance unless inspected and approved by purchaser subject to further rejection by:

- I. Defective workmanship or goods rejected by the purchaser within suitable time from date of receipt at destination.
- II. Latent defects, frauds and mistakes.
- III. Application of quality standards accepted by the seller at time of purchase and failure to perform same.

## 5. **REJECTION**

If any of the goods are found at any time to be defective in material, workmanship, quality, quantity or otherwise not in strict conformity with the specifications or requirements of the purchase order, the purchaser, in addition to any rights to which it may have under warranties or otherwise, shall have the right to reject and return such goods for full credit, all charges collect including incoming and outgoing charges. Without limiting the foregoing right of rejection, the purchaser shall have the right to require prompt replacement, repair or corrections of defective work or goods at seller's risk and expense. If the seller is unable or unwilling to effect such replacement, repair or correction, the purchaser may do so by using its own workmen, goods, or facilities or by outside contract, and shall be entitled to charge the seller for excess costs directly or indirectly occasioned thereby.

## 6. **CANCELLATION**

This order may be cancelled by the purchaser in whole or in part at any time regardless of shipments received or services performed. If cancellation takes place, the purchaser agrees to pay the supplier for goods and services satisfactorily provided including work in progress and associated costs providing the seller can provide satisfactory documentation and verification supporting such claims. These costs are limited up to and including the date of cancellation of the contract.

## 7. **ASSIGNMENT**

The seller shall not assign, subcontract or otherwise transfer in whole or in part, any of its rights and obligations hereunder without the prior written consent of the purchaser. In case such consent is given, the seller remains liable as if no such transfer has been made.

## 8. **LIABILITY AND INDEMNITY**

The seller shall indemnify and hold the purchaser harmless from and against any and all expenses, actions, causes of action, damages, claims and demands whatsoever, either at law or in equity, arising as a result of or in connection with the performance or non-performance of this purchase order. The seller's obligations to indemnify and hold the purchaser harmless shall include but be not limited to, any cause, action, suit proceeding claims or demand based upon actual or alleged infringement of any Canadian or foreign letters of patent, copyright trade secret or trademark.

## 9. **FORCE MAJEURE**

Neither party should be in default of this purchase order from any failure to perform if such failure arises from an unexpected delay. For purposes of this purchase order, and unexpected delay shall mean an act of war, the order of any court or government body or agency of competent jurisdiction, an act of nature including fire, flooding, earthquake, unusually severe weather but shall not include a lack of money. The party claiming relief hereunder shall give prompt notice to the other, together with all necessary information with respect to the circumstances of such delay.

## 10. **TITLE**

Title to any documents including designs, specifications, drawings, proofs, dies or templates, supplied by the purchaser or produced by the seller upon request of the purchaser shall at all times rest with the purchaser.

## 11. **COMPLIANCE WITH LAWS**

The purchaser and seller agree that this purchase order and associated schedules shall be governed by and construed according to the laws of the Province of Ontario in the Dominion of Canada and the courts of such province shall have sole jurisdiction.

## 12. **TIME**

Time is of the essence in execution of this purchase order.

## 13. **HEALTH AND SAFETY**

All regulations regarding the Occupational Health and Safety Act as amended from time to time and the Workplace Hazardous Material Management Information System (W.H.M.I.S.) regulating the availability of safety data sheets and product information must be conformed with as part of this purchase order.

## 14. **COMMERCIAL DISCOUNT TERMS**

Any commercial discount terms forming part of this purchase order will be initiated based upon receipt of invoice or material, whichever is later.

## 15. **ENTIRETY OF AGREEMENT**

This purchase order, together with all documents, drawings or specifications incorporated herein, comprise the entire agreement between the parties and supersedes all other previous statements, representations, or agreements, whether oral or written.

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