



PURCHASE ORDER TERMS AND CONDITIONS

In the following context, the term “Purchaser” and “Tecmotiv” shall mean “Tecmotiv (USA), Inc.” or “Tecmotiv Corporation” – whichever entity is identified on the face of the purchase order; “Purchase Order” and “Order” shall mean “Tecmotiv Purchase Order”.

Inconsistencies in contract documents will be resolved with the following descending order of precedence: (1) the face of the Purchase Order; (2) any supplemental terms and conditions incorporated by reference; (3) these Purchase Order Terms and Conditions.

1. This Purchase Order, including these Purchase Order Terms and Conditions, will be deemed accepted by, and will be a binding contract on Vendor, upon Vendor: (a) executing and delivering the acknowledgement copy of the Purchase Order to Purchaser; (b) delivering any part of the Goods to Purchaser; (c) commencing performance of any Services for Purchaser; or (d) accepting any payment made by Purchaser related to the Goods or Services; whichever occurs first.
2. Vendor is to acknowledge Order and fax or email acceptance of the Order immediately and no later than 7 calendar days after Order date.
3. In the event that Order makes reference to a US Government contract, additional Terms and Conditions as set out in the latest version of Purchaser’s document “**ADDITIONAL PURCHASE ORDER REQUIREMENTS FOR US GOVERNMENT CONTRACTS**” apply. (Page 4)
4. No packing, packaging or cartage charges will be allowed by Purchaser unless specifically authorized on the face of the Order.
5. No change in Vendor's price is allowed subsequent to Order unless accepted in writing by Purchaser's representative.
6. Partial shipments are not allowed unless expressly stated on the face of the Order, or through written direction from Purchaser's representative.
7. Time and manner of shipment and delivery are of the essence of this order. Purchaser reserves the right to refuse any goods and to cancel all or any part of this order if Vendor fails to ship or deliver all or any part of the goods in accordance with the terms of this order. Acceptance of a partial shipment of the order shall not bind Purchaser to accept future shipments, nor deprive it of the right to return goods already accepted.
8. Vendor is required to notify Purchaser's representative of any potential delay as soon as vendor is aware of such delay. Acknowledgement of such delay does not waive Purchaser's rights per Article 7 above.
9. Vendor-based delays that result in late shipments of goods to the Purchaser may be subject to late delivery penalties in accordance with penalties imposed on Purchaser by Purchaser's customer. Discretion for the application of late delivery penalties will remain with the Purchaser.
10. Cash discount period to Purchaser shall run from the receipt of the Invoice. Purchaser, by paying Vendor's invoices before arrival and inspection of goods, avails itself of cash discount only and does not thereby accept quality or quantity as approved.
11. Purchaser may reject any goods of inferior quality or workmanship or which do not otherwise comply with the terms and conditions hereof and may return such goods to Vendor who shall bear all transportation costs both ways.
12. Delivery is not deemed to be complete until goods have been physically received and accepted by Purchaser.
13. Vendor warrants that the goods covered by this order will conform to the specifications, drawings, samples, or other description furnished or specified by the Purchaser, and will be fit and sufficient for the purpose intended, merchantable, of good material and workmanship, and free from defect.
14. Vendor warrants that the sale or use of the goods ordered herein will not infringe or contribute to the infringement of any patent, trademark, or copyright, either in USA, Canada, or in Foreign Countries. Vendor will indemnify and save harmless Purchaser from any and all loss, cost or expenses, including legal fees, on account of any and all claims, suits or judgments, resulting from the use or sale of any goods sold



hereunder in violation of rights under any patent, trademark or copyright, or application of any such patent, trademark or copyright.

15. If goods ordered herein are to be manufactured to design furnished by Purchaser, Vendor will not manufacture such goods from such design for sale to other than Purchaser.
16. Vendor represents that it is and will, for the duration of this order, remain in full compliance with the US International Traffic in Arms Regulations (ITAR) and Export Administration Regulation (EAR). Vendor shall immediately notify Purchaser's representative if Vendor is, or becomes, listed in any Denied Parties List or if Vendor's export privileges are denied, suspended, or revoked in whole or in part by any US Government entity or agency.
17. Vendor represents that any technical information received from Purchaser under performance of this order shall be controlled in conformance with applicable US and/or Canadian export control laws and regulations, including but not limited to the ITAR, EAR and the Canadian Controlled Goods Program.
18. Vendor is to advise Purchaser at time of Order acceptance if it intends to supply goods that are produced in whole or part outside of North America. Tecmotiv reserves the right to refuse or return product that is produced in whole or part outside of North America without penalty.
19. Vendor will indemnify and save harmless Purchaser from all loss or the payment of all sums of money by reason of all accidents, injuries, or damages to persons or property caused in whole or in part by the defective condition of any goods sold hereunder.
20. Should the Purchaser waive any default or the performance of any provision hereof, such waiver shall not constitute a waiver of any other default or of the performance of any other provision, nor a continuing waiver of the same default or of the subsequent performance of the same provision.
21. In the event that Purchaser is unable to take delivery of the goods ordered herein, and such inability is occasioned by strikes, war, riot, insurrection, fires, floods, tempest, inability to obtain shipping space, embargoes, government acts, order or regulations, breakdowns or any other causes beyond normal control of Purchaser, either of the foregoing nature or of any other kind, nature or description, Purchaser shall have the right to defer the taking of delivery of the goods or to cancel the Order for the goods.
22. Purchaser retains the right to terminate the Order, in whole or in part, for convenience. Termination will be notified through written notice to Vendor, specifying the extent and effective date of termination. Vendor shall cease expenditure for the Order immediately on the effective date of termination. Vendor shall promptly submit to Purchaser any claim for actual costs that are unrecoverable and have been incurred prior to the effective date of termination, excluding anticipated profit on terminated work. Purchaser will endeavor to amicably resolve termination settlement in a timely fashion, and with consideration for Vendor's expended efforts prior to termination. Under no circumstances shall Purchaser be liable for a settlement amount in excess of the purchase price.
23. If this Order is a Blanket Order which fact shall be indicated on the face of this order, it shall not be binding on Purchaser except to the extent that Purchaser shall commit itself in a written Release Authorization issued to Vendor specifying the shipping date, quantity and destination of the goods described herein. This Blanket Order to remain in effect until the date of expiration, or until cancelled by the Purchaser or by Vendor upon giving Purchaser 60 days' notice in writing. Upon the issuance of any release authorization the terms and conditions thereof, together with the terms and conditions hereof, shall constitute the contract between the Vendor and the Purchaser for the sale of that quantity of the goods which is specified in such release authorization.
24. The terms and conditions of sale as stated in this order govern in event of conflict with any terms of Vendor's proposal and are not subject to any change unless same be acknowledged in writing by Purchaser. Any printed condition of contract or general reservation that may be printed in any communication or document received from the Vendor shall be of no effect.
25. This order shall be governed and construed according to the laws of the State/Province and country where Purchaser is incorporated and may not be assigned. If, however, any provision herein in any way contravenes the laws of any State or jurisdiction where any such provision herein is to be performed, such provision shall be of no force or effect insofar as such State or jurisdiction is concerned and in any event any provision herein which may be void or non-enforceable shall not avoid or affect any other provision hereof.
26. Purchase rder number must appear on all correspondence, invoices, packing slips, shipping papers, and



containers

27. Purchaser reserves the right to reschedule delivery.
28. Vendor supplied Certificate of Conformance must include the following as a minimum:
 - a. Part number and quantity.
 - b. Proper description.
 - c. Identification by serial, lot, or batch number if applicable.
 - d. Purchase Order number.
 - e. A statement that the items were manufactured, inspected, and tested, and conform to the drawings, specifications, and quality requirements etc. applicable to this item.
 - f. Inspection and test records accompanying the shipment (or if records are not accompanying the shipment for valid reasons, a statement that inspection and test records are available on file, and will be available to Tecmotiv for a period no shorter than seven (7) years.
 - g. Signature, name, and title of appropriate company representative i.e.: Q.C. Manager.
23. Vendor supplied Shipping Documentation must adhere to the following:
 - a. All documents must include Purchase Order number.
 - b. Any additional costs resulting from any deviations from our shipping instructions will be charged back to Vendor.
 - c. Insurance is NOT required for transit. Vendor-based Shipping Insurance costs due to incorrect completion of waybills will be charged back to Vendor.
 - d. For domestic shipments:
 - One original copy inland Bill of Lading
 - Commercial invoice/packing slip(s).
 - e. Shipments from Canada to U.S.A. and Mexico
 - Inland Bill of Lading, Customs invoices, packing slip, and NAFTA Certifications in duplicate.
 - Documents to accompany shipment across border. Any delays or additional expenses due to missing documents would be chargeable back to Vendor
 - f. For overseas shipments:
 - Commercial invoice
 - Packing slip(s)



ADDITIONAL PURCHASE ORDER REQUIREMENTS FOR US GOVERNMENT CONTRACTS

Tecmotiv Purchase Orders issued in performance of a US Government Prime Contract incorporate the following Federal Acquisition Regulations (FAR) clauses and Defense Federal Acquisition Regulations Supplement (DFARS) clauses in effect on the date of the Prime contract as flowdowns from the Prime contract.

These clauses are incorporated by reference with the same force and effect as if given in full text.

In the Context of the Tecmotiv Purchase Order, the term "Contractor" shall mean "Vendor", the term "contract" shall mean "the Purchase Order", and the terms "Government", "Contracting Officer", and equivalent phrases shall mean "Buyer". Vendor hereby agrees to flow down the following FAR/DFARS clauses, where applicable, to its lower-tier subcontractors.

The full text of these clauses in effect on the date of the Prime Contract is available from the internet at the following websites:

<http://farsite.hill.af.mil/>

<http://www.acq.osd.mil/dpap/dars/dfars/index.htm>

NOTE: IT IS THE VENDOR'S RESPONSIBILITY TO COMPLY WITH THE FLOWDOWN FAR/DFARS CLAUSES APPLICABLE TO THE US GOVERNMENT PRIME CONTRACT AND TECMOTIV'S PURCHASE ORDER. THE FAR/DFARS CLAUSES SET FORTH HEREIN ARE MEANT ONLY FOR EASE OF REFERENCE FOR TECMOTIV'S VENDORS AND ARE NOT INTENDED TO DEPICT THE COMPLETE LIST OF FAR/DFARS APPLICABLE TO THE PURCHASE ORDER.

FAR/DFARS FLOWDOWN CLAUSES EXCLUDED FROM THIS LIST THAT ARE IN EFFECT ON THE PRIME CONTRACT DO NOT WAIVE THEIR APPLICABILITY ON TECMOTIV PURCHASE ORDERS ISSUED IN PERFORMANCE OF US GOVERNMENT PRIME CONTRACTS.

Applicable to All Purchase Orders

52.204-2 Security Requirements

52.215-15 Pension Adjustments and Asset Reversions

52.215-18 Reversion or Adjustment of Plans for Postretirement Benefits (PRB) Other Than Pensions

52.215-19 Notification of Ownership Change

52.219-8 Utilization of Small Business Concerns

52.219-9 Small Business Subcontracting Plan

52.222-21 Prohibition on Segregated Facilities

52.222-26 Equal Opportunity**

52.222-50 Combating Trafficking in Persons

52.223-3 Hazardous Material Identification and Material Safety Data

52.223-6 Drug Free Work Place

52.223-11 Ozone Depleting Substances

52.223-18 Encouraging Contractor Policies to Ban Text Messaging While Driving

52.225-13 Restriction on Certain Foreign Purchases

52.245-1 Government Property

52.246-2 Inspection of Supplies, Fixed Price

52.247-64 Preference for Privately Owned U.S. Flag Commercial Vessels, Alt I

**Applicable if the total value of Tecmotiv POs to Vendor is in excess of \$10,000 during any 12-month period.

Applicable to Purchase Orders Over \$15,000

52.222-36 Affirmative Action for Workers with Disabilities

Applicable to Purchase Orders Over \$30,000

52.209-6 Protecting the Government's Interest when Subcontracting with Contractors Debarred, Suspended, or Proposed for Debarment

Applicable to Purchase Orders Over \$100,000

52.222-35 Equal Opportunity for Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans



52.222-37 Employment Reports on Special Disabled Veterans, Veterans of the Vietnam Era, and other Eligible Veterans

APPLICABLE TO PURCHASE ORDERS OVER \$150,000

52.203-6 Restrictions on Subcontractor Sales to the Government

52.203-7 Anti-Kickback Procedures

52.203-12 Limitations on Payments to Influence Certain Federal Transactions

52.215-2 Audit and Records Negotiation

52.215-14 Integrity of Unit Prices, Alt I

52.227-1 Authorization and Consent*

52.227-2 Notice and Assistance Regarding Patent and Copyright Infringement

52.248-1 Value Engineering

*Within this clause "Government" and "Contracting Officer" ARE NOT interpreted to mean "Buyer".

Applicable to Purchase Orders Over \$650,000

52.215-12 Subcontractor Cost or Pricing Data

52.215-13 Subcontractor Cost or Pricing Data Modifications

II. Applicable DFARS Clauses:

Applicable to All Purchase Orders

252.204-7000 Disclosure of Information

252.204-7008 Export Controlled Items

252.204-7012 Safeguarding Covered. Defense Information and Cyber Incident Reporting

252.225-7016 Restriction on Acquisition of Ball and Roller Bearings

252.225-7028 Exclusionary Policies and Practices of Foreign Governments

252.246-7003 Notification of Potential Safety Issues

252.247-7023 Transportation of Supplies by Sea

252.247-7024 Notification of Transportation of Supplies by Sea

Applicable to Purchase Orders Over \$150,000

252.203-7001 Prohibition on Persons Convicted of Fraud or other Defense-related Felonies

Applicable to Purchase Orders Over \$500,000

252.226-7001 Utilization of Indian Organizations, Indian-Owned Economic Enterprises, Native Hawaiian Small Business Concerns

Applicable to Purchase Orders Over \$650,000

252.225-7006 Quarterly Reporting of Actual Contract Performance Outside the United States