

VALIANT CORPORATION

GENERAL PURCHASE ORDER TERMS & CONDITIONS

Effective May, 2018

GENERAL PURCHASE ORDER TERMS & CONDITIONS**1. File Control**

THE PURCHASE ORDER NUMBER, PURCHASE ORDER SEQUENCE NUMBER AND LINE ITEM NUMBER(S) MUST BE SHOWN ON ALL PACKING SLIPS, INVOICES AND CORRESPONDENCES.

If information is missing or discrepant, the invoice payment will be detained until adequate information is provided.

2. Application

These Terms and Conditions are incorporated by reference into all Purchase Orders issued by Valiant TMS, Valco Manufacturing Inc., E.R. St. Denis Inc., Valiant Tool & Mold Inc., Virtual Tool & Composites Inc. and Valiant International Inc. (collectively known as the Valiant Group of Companies), and shall apply, supersede and be paramount to any terms and conditions or provisions imposed, intended, or purported to be imposed on the Buyer by any Quote (or other document issued by the Seller) to the Buyer, and acceptance by the Buyer of this Purchase Order, and performance of any services hereunder. These Terms and Conditions and the Buyer's Purchase Order constitute the entire agreement between the parties.

No variation of the terms, conditions, deliveries, prices, quality, quantity or specifications of this Purchase Order will be effective unless authorized by Buyer in writing.

The Agreement, constituted by these Terms and Conditions and the Purchase Order--and any Schedules or documents referred to herein or in the Purchase Order--constitute the entire agreement between the parties hereto and supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written express or implied, with respect to the subject matter hereof. None of the parties hereto shall be bound or charged with any oral or written agreements, representations, warranties, statements, promises, information, arrangements or understandings not specifically set forth in this Agreement or in the Schedules, documents, or instruments to be delivered on or before the execution to this Agreement.

A Purchase Order is defined--for the purposes of this document--as an offer by the Buyer to Seller to have the Seller complete the work described therein. The Seller shall be deemed to have unconditionally accepted the terms of the Purchase Order upon commencement of work under the terms of the Purchase Order, notwithstanding the Purchase Order may or may not have been executed. Any Seller Document containing terms in addition to, or inconsistent with the terms of the Purchase Order--including a rejection of any term of the Purchase Order--shall be considered as a counter offer to the Buyer, and shall not bind the Buyer unless specifically accepted in writing. This clause shall constitute a continuing objection to any such terms or rejections not specifically so accepted by the Buyer. However, commencement of performance by the Seller, in the absence of written acceptance of such counter offer by Buyer, shall be considered to be performance in accordance with the terms of the Purchase Order and an acceptance hereof, notwithstanding prior dealings or usage of trade.

3. Price

The Seller's price(s) is understood to be as low as the price(s) charged by the Seller to Buyers of the same kind, and under conditions similar to those specified in this Purchase Order.

4. General Warranty

Seller warrants that the goods or services to be supplied hereunder (including all replacement items, and all replacement or connected components furnished pursuant to this warranty) will:

- a) In addition to any offer, express and implied warranties provided by law or otherwise, Seller warrants that each product (whether goods or services) shall: (i) be new and conform to the Purchase Order in all respects; (ii) conform to all specifications, drawings, samples and other descriptions furnished by Buyer; (iii) be merchantable and fit for the purpose to which intended; and (iv) be free from all defects in design, workmanship and materials, and be of highest quality and workmanship. Seller also expressly warrants that the title to all of the Products shall be vested in Buyer free and clear of any and all liens and encumbrances of any nature and kind. All warranties of Seller, express and implied, and remedies of Buyer (in this Section or elsewhere) shall survive indefinitely any delivery, inspection, tests, acceptance and payment and shall apply notwithstanding any inspection of the Products, or any part thereof, on, before or after delivery to Buyer. Seller acknowledges that Buyer has advised it as to the purpose for which the Products are required, that Buyer is relying on Seller's skill and judgment and the Products are of a type of which it is Seller's business to supply.
- b) Upon any breach of warranty, in addition to all other remedies hereunder or under applicable law or in equity, Buyer may (i) cancel all or any portion of the Purchase Order, (ii) require the Seller to repair or replace any or all Products at Buyer's option and at Seller's sole expense, either at Buyer's Plant or at any other location designated by Buyer, (iii) require Seller to pay all transportation and other charges arising from delivery, storage and return of Products and/or (iv) purchase replacement Products from a third party and charge the same to the Seller

5. Specific Warranties

In addition to the General Warranty stated above, negotiated warranties may be in place if stated on or attached to the Purchase Order. This includes transfers of all manufacturers' warranties.

6. Invoices, Payment, Currency and Claims Adjustment

- a) Payment terms are specified in the specific Purchase Order. Seller will promptly submit correct and complete invoices with appropriate supporting documentation, and any other information reasonably required by Buyer, after delivery of goods and performance of services. The payment period in the Purchase Order will not commence until Buyer has received a correct invoice, aligned with Buyer's applicable requirements. Buyer will use reasonable efforts to assist Seller in correcting any incomplete or otherwise incorrect invoice.
- b) If a third party payment process exists between Buyer and Seller, all applicable terms therein will take precedence as the binding payment schedule, and required documentation.
- c) Invoices must--to the extent applicable for goods and services--be delivered under the Purchase Order, and contain the following: complete Purchase Order number, "ship to" address, "bill to" address, invoice number, invoice date, unit price, quantity and unit of measure, clear pricing and identification of additional line items, proper extension of line items, invoice total and invoice currency. Invoices must also note any applicable registered tax numbers, and registered business number.
- d) Buyer is committed to paying Seller the amounts which are due to Seller pursuant to the terms of the Purchase Order and these General Terms and Conditions.
- e) In addition to any right of setoff provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller to Buyer, and Buyer may deduct any amounts due or to become due from Seller to Buyer from any sums due to or to become due from Buyer to Seller.
- f) Unless a Purchase Order states otherwise, all payments for goods shall be made in the local currency of the Seller's manufacturing location for the goods or in the case of Services, in the local currency of the

Seller's location from which the Services are provided. Any exceptions to this standard will be explicitly agreed upon in writing between the Buyer and Seller and noted within the Purchase Order.

7. Changes

Buyer may, at any time, by written order, and without notice, make changes in any one or more of the following:

- i. Drawings, designs, specifications, where the items to be furnished are to be specially manufactured for the Buyer in accordance therewith;
- ii. Method of shipment or packing;
- iii. Place or time of inspection, delivery or acceptance; and
- iv. Amount of any Buyer furnished property.

If any such change causes an increase or decrease in the cost of, or time required for performance of this Purchase Order, an equitable adjustment shall be made in the price or delivery schedule, or both. No claim by Seller for adjustment hereunder shall be made unless in writing including justification of the cost differential and dated within 20 days from the date notice of any such change is received by Seller. Where the cost of property rendered obsolete or excess as a result of change is included in Seller's claim for adjustment, Buyer will have the right to take title thereto and prescribe the manner of disposition thereof. Nothing in this clause shall excuse Seller from proceeding with performance of this Purchase Order as changed.

8. Deviations

Seller shall not substitute parts or materials for those specified in the Purchase Order or otherwise deviate from any specification without the Buyer's written consent. Review by Buyer of drawings, samples, or other representations shall not constitute acceptance of deviations contained therein, unless Seller has identified such deviations by separate written notice upon submission of such drawings, samples, or other representations, and Buyer has consented to such deviations in writing. If the words "or equal" are used in the Purchase Order, Seller must obtain Buyer's written consent to its proposed equals. Such written consent to deviations and proposed equals shall constitute a part of the Purchase Order.

9. Sample Approval

Samples required under any Purchase Order must be submitted off furnish production tools and in a sufficient lot sample size as specified in the Purchase Order. It is understood and agreed that if Seller does not comply with any sample procedure as specified by Buyer, then Buyer will perform this work and the cost of this work will be deducted from the purchase price.

10. Hazardous Material(s)

Seller shall notify Buyer of all "hazardous materials" (as defined by the Environmental Laws of the Province of Ontario) which are contained in the Goods included in this Purchase Order. Upon request the Seller shall furnish the Buyer with current copies of all applicable "Material Safety Data Sheets" for goods five (5) working days prior to the shipment of this Purchase Order.

11. Inspection, Testing, Examination and Re-Examination

If the specifications, the Buyer's instructions, laws, ordinances or any public authority require any work to be specially tested or approved, Seller shall give Buyer timely notice of its readiness for observation by Buyer, or inspection by another authority, and if the inspection is by another authority, of the date fixed for such inspection and the required

certificates of inspection being secured by Seller. Observations by the Buyer shall be promptly made, and may be made at the source of supply at the Buyer's option. The Seller will arrange for all such inspections at the Buyer's request.

Re-examination of questioned work may be ordered by the Buyer and if so ordered, work must be uncovered by the Seller. If such work shall be found not to be in accordance with the Purchase Order, the Seller shall pay the cost of uncovering, inspection, and correction thereof, unless the defect in the work was caused by a contractor employed directly by the Buyer, in which event, the Buyer or such contractor shall pay such costs.

12. Non-Conforming Goods

To the extent Buyer rejects goods as non-conforming, the quantities under this Purchase Order will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without the written consent of the Buyer. The Buyer may either return for credit, refund, or require prompt correction or replacement of the non-conforming goods or parts thereof. Non-conforming goods will be held by Buyer for disposition in accordance with Seller's instructions and at Seller's risk for a period of no longer than 20 days, or a mutually agreed upon time frame. Seller's failure to provide written instructions within 48 hours or a shorter period, as may be commercially reasonable under the circumstances, after notice of non-conformity shall entitle Buyer, at Buyer's option, to charge Seller for sorting, storage, handling, or to disposition of the goods without liability to the Seller. Payment for non-conforming goods shall not constitute an acceptance thereof, limit or impair Buyer's right to assert any legal or equitable remedy, or release Seller's responsibility for latent defects.

13. Repair or Replacement

Without limiting the obligations of the Seller in respect of any warranty given by the Seller whether general, specific, express or implied, at Buyer's request, Seller shall repair and/or replace--on a priority basis free of cost to Buyer--any part or component that fails in normal use and service under proper operation due to defect in material, workmanship, or faulty design within twelve (12) months after put into commercial operation, or within twenty four (24) months from the date of final delivery of material, unless otherwise stated in the Purchase Order. If the Seller does not repair and/or replace the parts or components as provided herein in a timely manner satisfactory to the Buyer, the Buyer may, on behalf of the Seller, perform or have performed any part--or all--of such remedial work with notice to the Seller. Seller shall reimburse the Buyer for all costs and expenses reasonably incurred in connection with such performance.

With respect to parts or components repaired and/or replaced as aforesaid, the above warranties shall apply for a period of twenty four (24) months from the date of completion of such repair or replacement.

Cancellation for Default, Remedies & Waiver, Deduction from Contract

If Seller (i) fails to deliver goods or perform quality services at the time required, as noted by the Purchase Order, fails to make progress so as to endanger performance of the work or impair delivery dates, or (ii) fails to perform any other provisions of the Purchase Order and does not attempt to cure such failure within a period of three (3) days after receipt of written notice from Buyer specifying such failure, or (iii) fails to provide adequate assurance pursuant to the preceding section; or (iv) becomes financially unstable, insolvent, makes an assignment in favor of creditors, or enters bankruptcy or dissolution procedures, or (v) is subject to a change in control which Buyer in its sole discretion deems to be adverse to Buyer's or its customer's interests, Buyer may cancel the whole or any part of the Purchase Order without any liability, except for payment due for goods and services delivered and accepted to date. Seller shall continue all work not cancelled.

Upon cancellation for default Buyer will have the right to take title to and possession of all or any part of the Purchase Order Deliverables, work in progress or finished goods performed by Seller under this order, and any Special Tooling and all drawings, technology and information furnished by Buyer. Seller will comply with Buyer's written instructions relating to the cancellation, including: cancellation of subcontracts and/or assignment to Buyer of Seller's rights under

such subcontracts; disposition of completed Purchase Order Deliverables, work in process, project data and documents, and other deliverables (including delivery and title transfer to Buyer); and completion of work not cancelled.

Buyer may (i) replace or correct any non-conforming Purchase Order Deliverables and charge Seller the full cost of such replacement or correction on an expedited basis to meet delivery dates, and of removal of any defective materials and goods, (ii) provide or procure any Purchase Order Deliverables as may be necessary in Buyer's discretion to complete Seller's work under the Purchase Order on an expedited basis to meet delivery dates and charge Seller for any excess costs, (iii) charge Seller the full cost for any other charges, costs, or expenses resulting from Seller's default; and/or (iv) cause the removal of Seller as an approved Buyer supplier.

If, after cancellation, it is determined that Seller was not in default, the rights and remedies of the parties shall be as if the Purchase Order had been terminated for convenience.

The rights and remedies provided Buyer in the Purchase Order shall be cumulative and additional to any other remedies provided in law or equity. Buyer's failure to insist on performance of any aspect of the Purchase Order, or to exercise any right or privilege, or Buyer's waiver of any breach thereunder shall not constitute a waiver of any other or subsequent right, privilege, or breach.

If Buyer deems it unsuitable to correct work damaged or done not in accordance with the contract, an equitable deduction from the contract sum shall be made therefore.

14. Quality Control

By accepting these terms and conditions, the Seller agrees to comply to the Valiant TMS Quality Policy and Procedures, in accordance with the ISO 9001 and the guidelines provided in the Valiant Supplier Quality Handbook (VCH1-0011). Any goods or services which do not meet Valiant quality standards or specifications outlined in a Valiant Purchase Order may nullify in part or as a whole, the Purchase Order between Buyer and Seller. Seller agrees to accept financial responsibility for any and all quality defects at either Valiant, or its customers' facilities. The Valiant Quality Policy and Supplier Quality Handbook (VCH1-0011) can both be found under Supplier Information on Valiant's website, or by contacting Valiant directly.

15. Reliability and Maintainability

It is expected that the Seller is familiar with, and will provide component and/or system "Reliability and Maintainability" (R&M) information according to the SAE M-110.2 Reliability and Maintainability Guideline for Manufacturing Machinery and Equipment as requested by the Buyer. It is expected that the component and / or system R & M information is from prototype testing and / or actual manufacturing environments. The type of R & M information that is expected--as a minimum--is Operational Availability, Mean Time between Failures (MTBF) or Mean Cycle Between Failure (MCBF), Mean Time to Repair (MTTR), Design Failure Modes and Effects Analysis (FMEA) for components, Machinery (Equipment) FMEA for systems, Preventive Maintenance, Spares, Maintenance and User Manuals and Life Cycle Cost.

16. Records and Audits

Upon reasonable notice, the Buyer, its representatives, and customers will have access to the Sellers facilities to review and obtain copies of records pertaining to the good(s), tooling, Intellectual Property, Quality Assurance information, any property of the Buyer, and any matters relating to the performance of this Purchase Order. The Seller shall provide reasonable facilities and assistance for safe and convenient review, copying, and inspections without charges to the Buyer. Any such inspection by the Buyer, whether during manufacture, prior to or after delivery, shall not, in and of itself, constitute acceptance of any goods, whether as work in progress or finished goods.

17. Packaging, Marking and Receiving Goods

The goods are to be packaged in such a way to avoid damage during transport. All costs of resulting repairs incurred as a result of improper packaging will be the responsibility of the Seller. Efforts to use only environmentally friendly packaging will be made to deliver the goods. The goods must be clearly identified with a part number that clearly corresponds to the Purchase Order and the Packing Slip. No charges will be allowed for containers, crating, cartage, and packages unless reserved in the Purchase Order.

Deliveries of goods will be received by Buyer per standard receiving hours found on Buyer's website. For emergency deliveries outside of regular receiving hours, contact Buyer in advance. Additional instructions and receiving information can be found on Buyer's website.

18. Freight Rates, Custom Duties, Import Taxes, Excise Taxes and Sales Taxes

Any reduction in Seller's costs resulting from a reduction in freight rates, custom duties, import taxes, excise taxes and/or sales taxes from those in force on the date thereof is to be paid to Buyer by Seller in reduction of the price of goods ordered under any Purchase Order. Upon request, Seller shall furnish promptly all documents required by customs for any country in which the goods are to be shipped, all properly completed in accordance with government regulations applicable thereto. Unless otherwise stated, all Customs drawbacks will be credited to Buyer.

19. Transportation Charges

When terms of delivery or conditions of contract are F.O.B. Buyer's facility, all transportation charges (including railroad terminal switching service and demurrage charges) must be at the expense of the Seller in accordance with the tariffs of the transportation lines and railroad companies as lawfully in effect at the time the shipments are moved or the service is performed.

20. Delays and Excess Shipments

Buyer must be notified as soon as Seller becomes aware of any possible delay in, or inability to make any shipments as specified in this Purchase Order, supplied with reasons and new delivery schedule. The Buyer reserves the right to refuse the new delivery schedule and terminate the contract without incurring additional costs, and charge the Seller with any loss or damages incurred as a result of Seller's failure to make delivery within the time specified. Any goods in excess of those definitely scheduled for shipment according to the Purchase Order may be returned at Seller's expense. If the Seller fails to comply with the Buyer's delivery schedule or otherwise does not meet its obligation hereunder, Buyer may terminate the Purchase Order without liability.

21. Subcontracting

As soon as practicable and before awarding any subcontract, the Buyer shall be notified in writing of the name of any subcontractors proposed for any part of the work. The Seller shall not employ or purchase from anyone to which the Buyer may have a reasonable objection.

If before or after the issuance of the Purchase Order, a change of any subcontractor is required by the Buyer prior to the granting of the relevant subcontract, the contract sum shall be increased or decreased by the difference in cost occasioned by such change.

Seller agrees that he is fully responsible to the Buyer for the acts and omissions of the subcontractors and of persons whether directly or indirectly employed by them, as he is for the acts and omissions of persons directly employed by him.

Nothing contained in the contract documents shall create any contractual relation between any subcontractor and the Buyer.

Adherence to all Valiant standard safety policies and procedures is mandatory from suppliers of subcontractors, and it is the supplier's sole responsibility to ensure that prior to entering any customer or Valiant facility or site to perform work, a subcontractor will have completed the necessary health and safety onboarding requirements as set forth in the Valiant Third Party Supplier Handbook. Suppliers of subcontractor resources will adhere to the Employment Standards Act in any and all applicable areas.

Subcontractors will be pre-qualified by completing a pre-start safety training and by completing the corresponding tests and paperwork. The subcontractor will share their safety stats with Valiant TMS as part of the quoting process, to be used as part of the decision making process. While on customer or Valiant site, subcontractors will participate in and abide with post job safety reviews, all site specific training, safety talks, tailgate meetings, job analysis, hazard assessments, and with job safety inspections.

Notice of project, as applicable, will appear on the Purchase Order and will outline the contractor and Supplier responsibility specific to Form O. Reg 145/00S. 3 as available on the Ontario Ministry of Labour website.

All payment terms are negotiated between Buyer and Seller, and will appear on the Purchase Order for reference. Any payment terms deviating from the standard of Net 30 will receive the approval and consent of the Buyer.

Seller must supply the Buyer with all requested documentation in regards to Non Disclosure Agreements and Certificates of Liability Insurance prior to commencing with the supply of subcontractors. Seller agrees to comply with Buyer's request for updated or additional documentation as deemed necessary by the Buyer. Seller will not attempt to exclude Buyer from any information surrounding insurance liability or attempt to put liability on the Buyer for the safety or compliance to safety by any subcontract resource as supplied by the Seller.

22. Labour Disputes

Whenever the Seller has knowledge that any actual or potential labour dispute will delay or threaten to delay the performance of this Purchase Order, the Seller shall immediately give written notice to the Buyer including all relevant information with respect to the effect on delivery. The Buyer shall have the right to suspend or terminate the Purchase Order and recover any additional costs resulting from obtaining alternate goods or services. Seller agrees to insert the substance of this clause in any Purchase Order to any subcontractor or in any subcontract hereunder.

23. Assignment

Seller shall not assign this Purchase Order nor any monies due or to become due hereunder without the prior written consent of Buyer. Any assignment made without such consent of the Buyer shall be void as to the Buyer.

24. Final Payment, Releases and Lien Clearances

Neither the final payment nor any retained percentage shall become due until the Seller delivers to the Buyer a complete release of all claims and liens arising or which may arise out of the contract, or receipts in full in lieu thereof and, if required by the Buyer in either case, an affidavit that so far as he has knowledge or information the releases and receipts include all the labour and material for which a lien could be filed; but the Seller may if any subcontractor refuses to furnish a release or receipt in full, furnish a bond satisfactory to the Buyer to indemnify him against any lien. If any lien remains unsatisfied after all payments are made, the Seller shall refund to the Buyer all monies that the latter may be compelled to pay in discharging such a lien, including all costs and a reasonable attorney's fee. Seller, for himself, his subcontractors, and any other persons or entities acting through or under him, covenants and agrees that no liens or claims shall be filed or maintained by him, them or any of them, against the real estate on which work is to be performed, the improvements thereon or appurtenances thereto, for or on account of any work to be done or materials furnished under any Purchase Order. Seller, for himself, his subcontractors or any other persons or entities acting through or under him, hereby waives and relinquishes all right to file any lien or claim. This term is a separate

and independent covenant and shall be operative and effective with respect to work done or labour and materials furnished under any supplemental contract for additional or different work, although the covenant may not be referred to therein, as well as to work to be done and labour or materials to be furnished under this Contract.

25. Consigned Property

Unless otherwise herein provided, any Purchase Order to which these terms and conditions apply between Buyer and Seller, all supplies, materials, facilities, tools, jigs, dies, fixtures, patterns, drawings, prints, specifications, technical or other equipment and equipment furnished to Seller by Buyer to perform any Purchase Order, shall remain the property of Buyer and Seller shall bear the risk of loss and damage to such property, normal wear and tear accepted. Such property shall at all times be properly housed and maintained and fully insured at replacement value by Seller; shall be deemed to be personal; shall be identified as Buyer's property by Seller; shall not be co-mingled with the property of Seller or with that of a third party; shall not be moved from Seller's premises without Buyer's prior written approval and shall, upon completion of the Purchase Order or request of Buyer, be immediately delivered to Buyer by Seller, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property to Buyer or shall, upon request of Buyer, be immediately delivered to Buyer by Seller at any location designated by Buyer, in which latter event Buyer shall pay to Seller the cost of delivering such property to such location.

26. Indemnification and Insurance

Indemnification. Seller agrees to indemnify, defend and hold harmless the Buyer, its affiliates, customers and each other party to which Products are provided, and each of their shareholders, directors, officers, employers and agents, on demand, from and against any and all claims, demands, actions, causes of actions, suits, costs, fees, penalties, damages (consequential and otherwise) attorneys' fees and all other liabilities and obligations whatsoever ("Losses") arising out of or related in any way to Seller's performance or obligations under this Purchase Order including, without limitation:

- a) personal injuries, illness or death of any natural person (including, without limitation, Seller's agents and employees) or damage to any property (including without limitation, the Seller's property) or any spill, discharge or emission of hazardous wastes or substances which relates to in whole or in part (i) any manufacturing design or other defect, failure to warn, improper handling, improper operating installation instructions or other act or omission of Seller with respect to any of the Products, or (ii) the performance by Seller of any services, either on property of Buyer, Seller or any third party;
- b) any claims alleging violation of the Employment Standards Act, Labour Relations Act, any workers' compensation legislation or any other statute governing the relationship between the Seller and its employees;
- c) any claims arising from the failure of the Seller to withhold from its employees pay any amounts for Income Taxes, Unemployment Insurance, Canada Pension Plan, or any other statutorily required remittances;
- d) any breach of warranty made by, or on behalf of Seller with respect to the Products or otherwise and any claim of a third party relating to any Products or their quality;
- e) any breach of the Purchase Order or any other agreement between Buyer and Seller;
- f) any recall campaign in which Buyer or any customer participates in connection with inclusion of Products in goods sold by Buyer; and/or
- g) claims alleging violation of infringement of any patent, copyright, or other intellectual property or ~~proprietary right relating to Products provided by Seller even if they are made to Buyers specifications~~

- h) Seller will maintain and carry liability insurance which includes, but is not limited to, employers liability, workers compensation, general liability, public liability, property damage liability, products liability, completed operations liability and contractual liability in amounts considered reasonable and prudent in the industry and acceptable and approved by Buyer, but in no event shall such amounts be less than the minimum statutory requirements. Without limiting the generality of the foregoing, if Seller's work under any Purchase Order involves operations by Seller on the premises of Buyer or one of its customers, Seller shall take all necessary precautions to prevent the occurrence of any injury to person or property during the progress of such work and shall save Buyer and its customer harmless against all loss which may result in any way from any act or omission of Seller, its suppliers, or those in law for whom they are responsible. If requested by Buyer, Seller shall furnish certificates of insurance evidencing the foregoing coverage.

To the maximum extent permitted by applicable law, Seller's obligation to defend and indemnify will apply even as to Losses caused in whole or in part by an indemnitee's negligence, but Seller's indemnification shall not apply to the extent that losses are clearly shown to have resulted solely and directly from the negligence or willful misconduct of such indemnitee. Seller's obligation to defend and indemnify under this Section will also apply regardless of, or whether the claim arises in tort, negligence, contract, warranty, strict liability or otherwise. The indemnification obligation under this paragraph shall not be limited in any way by the limitation on the amount or type of damages, compensation or benefits payable by or for the benefit of Seller under Workers' Compensation Acts, occupational disease acts, disability benefits acts or other employee benefits acts.

In furtherance and not in limitation of the foregoing, Seller agrees that it will pay interest to Buyer, on demand, on all indemnification amounts owed, and Buyer may at its option participate in the defense of any third party claim with its own counsel, at Seller's expense.

27. Equal Opportunity and Affirmative Action

To the extent that Buyer is subject to any requirement, whether imposed by governmental authority or by any customer of its products, for affirmative action or equal opportunity in employment, Seller shall participate with Buyer to meet such requirement, including where any part of any purchase this is performed in the United States or the product of Buyer is to be shipped to the United States and unless otherwise exempt under the rules and regulations of the U.S. Secretary of Labor, Seller agrees to comply, during performance of this Purchase Order, with the following clauses indicated in the Code of Federal Regulations:

- i. 41C.F.R.60-1.4 as amended, pertaining to the equal opportunity clause in government contracts;
- ii. 41C.F.R.60-250 as amended, pertaining to affirmative action for disabled veterans of the Vietnam era;
- iii. 41C.F.R.60-741 as amended, pertaining to affirmative action for handicapped workers;
- iv. And Seller certifies that it is in compliance and will be in compliance, to the extent applicable to it, with all requirements for affirmative action.

28. Canadian Value Added

Upon request, Seller shall furnish promptly, certificate of "Canadian Value Added" in accordance with government regulations pertaining thereto. Seller agrees to indemnify Buyer and/or its customers against all loss resulting directly or indirectly from Seller's delays in completing or returning such certificate to Buyer and from incorrect information therein furnished by Seller.

29. Customs Documents

The Seller shall provide Valiant companies with all necessary and accurate information and documentation relating to the goods supplied under this Purchase Order in accordance with government regulations for any country in which the goods are to be shipped. Country of Origin will be explicitly noted on all documentation. The Seller will comply to all required product identification markings, country of origin markings, and other product identification as required by Customs laws for any country in which the goods are to be shipped. The Seller shall hold Valiant companies harmless from any and all penalties or damages as a result of deficient or erroneous information or documentation supplied to Valiant companies by the Seller. Valiant retains the right to chargeback all penalties incurred from Customs for any country in which the goods are to be shipped as a result of inadequate, inaccurate, or erroneous information provided by the Seller plus a \$ 300.00 charge for each occurrence.

30. N.A.F.T.A.

Where applicable, a North American Free Trade Agreement Certificate of Origin will be produced by the Seller.

31. Information

It is understood that Seller will at all times keep Buyer fully informed concerning the status of all Purchase Orders, and that Seller will bear any expenses necessary for giving information to Buyer.

32. Confidentiality

Seller shall treat as confidential and Seller shall not reproduce, copy or publish or permit the reproduction, copying or publication of any of the drawings, prints, specifications or technical or other information or any part of them furnished by Buyer, and will take all reasonable precautions to prevent any such occurrence. Such information will be returned to the Buyer upon completion of the Seller's obligations under this Purchase Order or upon demand, along with all copies the Seller has made and all other documents in which such information has been incorporated.

All data exchanged between Buyer and Seller will remain confidential, and any access Seller is given by Buyer to additional data, specifications, policies, procedures etc. shall remain confidential. Seller will not share any Buyer information with any third party organization unless explicit consent is given, in writing, by Buyer.

33. Patents and Trademarks

Seller warrants that the goods ordered hereunder will not infringe any Canadian or foreign patents, trademarks, copyrights, industrial designs or process of manufacture by their sale or use alone or in combination with other goods. Seller, at Seller's own expense, upon demand of Buyer, shall investigate and deal with every claim which may be made and defend every suit or action which may be brought against Buyer or against those selling or using any product of Buyer for any alleged infringement or claim of infringement of any patent, trademark, copyright, industrial design or process of manufacture by reason of the sale or use alone or in combination of such goods and will pay all costs, damages and expenses which Buyer may sustain by reason of such claim and/or suit or action; provided, however, that Buyer may be represented in any such suits, actions or legal proceedings by its attorneys or solicitors at its own selection and at its own expense. Any goods bearing the registered trademark of Buyer returned, rejected or otherwise not accepted by Buyer, shall not be sold or otherwise disposed of by Seller while still bearing the registered trademark of Buyer; provided, however, that Buyer may be represented in any such suits, actions or legal proceedings by its attorneys or solicitors at its own selection and at its own expense.

34. Intellectual Property

All patented products, designs, drawings, data, engineering instructions, models, specifications, trade secrets, manufacturing processes, technical information and other intellectual property relating to the good(s), whether written or oral supplied by or on behalf of the Buyer specifically in the performance of this Purchase Order shall be and remain the exclusive property of the Buyer. The Seller shall not use the Intellectual Property in any way other than for the manufacture or supply of this Purchase Order. The Seller shall use reasonable efforts to maintain confidential

information and not to disclose to any third party any Intellectual Property, or any other information from the Buyer clearly designated as “confidential”.

35.1 No Infringement of Intellectual Property Rights

- a) Seller warrants that the Products and the sale and/or use thereof (before or after incorporation into products during manufacture) do not and will not infringe any patents or other intellectual property rights under the laws of Canada or any other jurisdiction
- b) Seller will furnish to Buyer, without restrictions on use or disclosure, all information and data Seller acquires or develops in the course of Seller’s activities under a Purchase Order. At Buyer’s request, Seller also will discuss with Buyer or another party designated by Buyer, without restrictions on use or disclosure, any potential design, quality or manufacturing problems with Products Seller worked on or produced pursuant to a Purchase Order.
- c) Seller grants to Buyer, and to any affiliated company of Buyer, a nonexclusive license under reasonable terms and conditions to make, have made, use, have used and sell under any other patents now or hereafter owned or controlled by Seller which cover any application of the technology embodied in the information or data Seller acquires or develops in the course of Seller’s activities under a Purchase Order. At Buyer’s request, Seller will furnish to Buyer all other information and data of Seller which Buyer deems necessary to understand the operation and to maintain the goods and Products delivered under a Purchase Order, and to understand and apply the information and data of this Paragraph 11(c) hereof, with no restrictions on use other than Seller’s patent rights.
- d) Seller warrants that it is aware of the uses to which the Products are to be put, and grants to Buyer, and each party or entity to which the Products are provided, a free, unrestricted, irrevocable and perpetual license, with a right to sublicense to others, to use, repair and reconstruct the Products in any manner, and warrants that Seller has full right to grant said license.

35.2 Proprietary Information

- 35.2.1 Any information or knowledge, which Buyer may have disclosed or may hereafter disclose to Seller in connection with this Purchase Order and any or all services to be rendered and/or work to be performed pursuant to this Purchase Order is and shall be deemed confidential and proprietary information of Buyer. Seller shall not, without authorization in writing from Buyer, use, communicate or disclose the confidential proprietary information of Buyer. Seller agrees to safeguard the confidential and proprietary information of Buyer by using reasonable efforts, consistent with those used in the protection of its own proprietary information of a similar nature, to prevent its disclosure to third parties. Seller agrees to cause its employees, contractors, officers, directors, agents and representatives to be bound by and comply with the foregoing restrictions regarding the use of disclosure of such confidential and proprietary information. Seller further agrees not to assert any claims (other than a claim for patent infringement) with respect to any technical information which Seller shall have disclosed or may hereafter disclose to Buyer in connection with the Products.
- 35.2.2 All documents containing proprietary information relating to the Products or acquired by Seller under a Purchase Order will belong to Buyer. All drawings, know-how and confidential information supplied to Seller by Buyer and all rights therein will remain the property of Buyer and will be kept confidential by Seller in accordance with Paragraph 29 (a) above. Seller shall, within five (5) business days of Buyer’s request or the cancellation or termination of this Purchase Order, return all confidential and proprietary information (including all copies, notes and/or extracts thereof), by Buyer pursuant to this Purchase Order. In addition, that portion of the confidential or proprietary information which consists of analyses, compilations, studies

or other documents prepared by Seller, or by its directors, officers, employees, or advisers, will be destroyed.

35.2.3 Seller will ensure that any Third Party to whom Seller subcontracts for the work under the Purchase Order is bound by all of the terms and conditions relating to such work to which Seller is bound under a Purchase Order.

3.5.3 Inventions

If this Purchase Order involves or results in:

- (i) any invention or any experimental, development or research activities including engineering related thereto;
- (ii) any reduction to practice of any subject matter, application or discovery which could be patented or copyright; or
- (iii) any improvement in the design of the Products or any alternative or improved method of accomplishing the objectives of this Purchase Order (collective, "Inventions"),

such Inventions shall be owned by Buyer and be deemed confidential and proprietary property of Buyer, whether such Inventions or any portions thereof can be copyrighted or patented or not, and Seller shall cooperate (and cause its employees to cooperate) in executing any documents and lacking any other actions necessary or convenient to patent, copyright, or otherwise perfect or protect such Inventions for the benefit of Buyer.

35. Termination

- i. *Early Termination:* Either party may terminate the contract in the event that the other party becomes bankrupt or insolvent or receivership or, makes assignment for the benefit of creditors, or if liquidation is commenced by or against the other party.

No termination of the contract by the Buyer shall affect any right or obligations of the Buyer which have been vested pursuant to the Purchase Order. The Buyer's termination rights under this term are not an exclusive remedy, and the Buyer shall be entitled alternatively or cumulatively to damages for breach of the Purchase Order, to an order requiring performance of the obligations of the Purchase Order; or to any other remedy available under the laws of any applicable jurisdiction.

- ii. *Early Termination by Buyer at Buyer's Option:* Buyer may at any time terminate the Purchase Order in whole or in part, by giving written notice to the Seller. Upon receipt of such notice, Seller shall discontinue all work pertaining thereto, place no additional orders, and terminate existing orders on the best possible terms. Unless otherwise directed by Buyer, Seller shall preserve and protect materials on hand, whether completed or not. Termination payment, if any, shall be mutually agreed to by Buyer and Seller, based on that portion of the work satisfactorily performed to the date of termination. Such settlement will not preclude reimbursement for overhead and profit only on the portion of work satisfactorily performed by Seller. If direct distribution of overhead is not equitable, proper adjustment may be negotiated. Seller shall not be entitled to any prospective profit or damages because of termination.
- iii. *Early Termination by Buyer for Seller's Default:* If Seller breaches or defaults under any term or condition of the Purchase Order, including any term or condition hereof, including if the Seller fails to perform in accordance with any of the requirements of the Purchase Order or to make progress so as to endanger performance hereunder, Buyer may immediately terminate the contract. Seller will be liable for damages caused by or resulting from its default including but not limited to any cost of re-

procurement. Buyer shall, in addition, have all other rights provided by law arising from Seller's default. If after a default termination, it is determined that Seller was not in default, the termination shall be considered to have been made by Buyer at its convenience pursuant to the preceding paragraphs.

36. Excusable Delay

Neither party shall be in default for any delay or failure to perform hereunder due to causes beyond its control and without its fault or negligence, provided that any delay or failure to perform caused by the default of a supplier or the Seller at any lower tier is beyond the control of both Seller and such supplier, and without default or negligence of either, and the items to be furnished are not obtainable from other source and sufficient time to permit Seller to meet the delivery schedule and provided further that Seller furnishes prompt written notice to Buyer of the occurrence of any such cause which will or may delay Sellers performance hereunder.

37. Force Majeure

A delay in, or failure of performance of either party hereto shall not constitute default under the Purchase Order nor give rise to any claim for damages if and to the extent such delay or failure is caused by force majeure. Force majeure for the purpose of this agreement shall constitute any nature disaster, sudden economic downturn or crash, strikes including labour trouble or other industrial disturbance with a duration of more than seven (7) calendar days (insofar as the party concerned shall have taken all such preventive measures and other acts as good practice or stature may require), war (declared or undeclared), embargoes, blockades, legal restrictions, riots, insurrections, or any justifiable cause beyond the control of the parties. Delay in delivery from a sub-contractor of the Seller shall not be considered to be force majeure.

38. Dispute Resolution

If any dispute or controversy shall occur between the parties hereto relating to the interpretation or implementation of any agreement, such dispute shall be resolved by a single arbitrator to be appointed by agreement between the parties, or, in default of such agreement, such arbitrator shall be appointed by a Judge of the Superior Court of Justice of Ontario upon the application of any of the parties, and such Judge shall also be entitled to act as such arbitrator if he or she so desires. Any such arbitration shall be held in the City of Windsor and in Essex County. The procedure to be followed shall be agreed by the parties, or in default of agreement, determined by the arbitrator. The arbitrator shall have the power to proceed with the arbitration and deliver his or her award notwithstanding the default of any party in respect of any procedural order made by the arbitrator. Failing agreement by the parties and by the arbitrator, the arbitration shall proceed in accordance with the provisions of The Arbitration Act, 1991 (Ontario), S.O. 1991, c.17, as may be amended from time to time. It is further agreed that such arbitration shall be a condition precedent to the commencement of any action at law. The decision arrived at by the arbitrator shall be final and binding, and no appeals shall arrive therefrom. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction. Further, should this or any dispute or controversy become the subject of a Court action in any jurisdiction, the Seller hereby waives any right it may have to a Jury Trial.

39. Notices

Any notice or other document required or permitted to be given hereunto any of the parties shall be in writing, by registered mail--postage prepaid--or delivered by hand to the parties at their respective addresses, as set forth in the Purchase Order.

40. Waiver

Any waiver of any breach of any provision of this Agreement constituted by these Terms and Conditions and/or the Purchase Order, shall be effective or binding if it is in writing and signed by the party giving the waiver and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

41. Severability

All provisions of this document and any Purchase Order are separate and severable. Should any provision be deemed by any court of competent jurisdiction to be unenforceable, then notwithstanding such determination, the remaining provisions shall remain in full force and effect.

42. Compliance with Laws

Seller shall comply with all laws, rules, regulations, orders, licenses, consents, and decrees of any national, municipal, local or other governmental authority, agency or body, and all other requirements having force of law applicable at any time which affect in any manner the Purchase Order or Seller's performance thereunder. If Seller does not comply with such law, then Seller shall bear any additional costs resulting from such non-compliance, including costs for any remedial work.

43. Governing Law

This agreement shall be construed under the Laws of the Province of Ontario and the Federal Laws of Canada applicable therein, and such Laws shall govern both as to questions of formation of contract and interpretation and construction thereof. Without limiting the generality of the foregoing, the parties agree that the United Nations convention on contracts for the international sale of goods, and the International Sale of Goods Act, R.S.O. 1990, c. I.10, and any amendments thereto, shall not apply to this agreement. Furthermore, and without limiting the generality of the foregoing, where Seller is located in the Province of Quebec, it is expressly agreed that the laws of the Province of Quebec, including the Civil Code for the Province of Quebec, shall not apply to this contract.

44. Title

Seller further warrants that on delivery, Buyer will receive title to the goods and services, free and clear of all liens and encumbrances and that all goods and services will be free from any actual or claimed patent, copyright, or trademark infringement. In order to transfer title, Seller shall execute all such conveyances, bills of sale, certificates of title, and other instruments, as requested by the Buyer. These warranties are in addition to, and not in substitution for any warranties implied by law or otherwise made by Seller and will survive acceptance and payment by Buyer

45. Buyer's Liability

The Liability of the Buyer and its directors, officers, employees, shareholders, affiliates, successors, and customers for any judicial or extra judicial action, loss, damage, cost, claim or expense of any kind, of or in relation to the Seller or any other Party or Third Party arising out of the Purchase Order, including willful acts or negligence, will be limited to the amount of the direct damages and will not exceed the price paid by the Buyer to the Seller under the Purchase Order. In no event shall Buyer be liable for anticipated profits or penalties, or incidental, consequential, punitive, exemplary or other damages or liability in connection with this Purchase Order, whether for breach of contract, late payment, property damage, personal injury, illness, or death or otherwise, beyond the sum set forth in Section 15 herein, or if not applicable, the price for Products accepted by Buyer. Further, the Buyer does not assume any responsibility for Products produced, processed, shipped and delivered in excess of the amount specified in the Purchase Order.

46. Audit Rights

Buyer retains the right at any reasonable time to send its authorized representative to examine all pertinent documents and materials in the possession or under the control of Seller relating to any of Seller's obligations under this Purchase Order, or any payments requested by Seller pursuant to this Purchase Order. Seller shall maintain all

pertinent books and records relating to the Purchase Order for a minimum of seven (7) years, or as per contract requirements after completion of services or delivery of Products to this Purchase Order.

47. Use of Buyer's Name

Seller will not, without the prior written consent of Buyer, in any manner publish the fact that Seller has furnished or contracted to furnish Buyer goods and/or services, or use the name or trademarks of Buyer, its products, or any of its associated companies in Seller's advertising or other publications. If Seller places on the goods a Buyer trademark and/or identifying mark, as specified by Buyer, or if goods specified in the Purchase Order are atypical to Buyer's design, they will not bear the trademark or other designation of the maker or Seller, and similar goods will not be sold to anyone other than Buyer.

48. Basic Working Conditions and Employment Status

- a) *Basic Working Conditions* – When performing work for Buyer in the manufacture of Goods and/or in providing Services under the terms of the Purchase Order, Seller will not: (i) use forced labour, regardless of its form; (ii) employ any person under the age of 15, unless part of a government approved training or apprenticeship program; or (iii) engage in any physically abusive disciplinary practices. Seller will be in full compliance with the Employment Standards Act.
- b) *Subcontractors* – If Seller retains subcontractors to perform work in the manufacture of Goods and/or to provide Services for the Buyer under the terms of the Purchase Order, Seller will only use subcontractors that adhere to the requirements in section 49 (a).
- c) *Adoption of Policy* – Buyer has adopted a **Social Responsibility Policy** that includes the requirements of section 49 (a) and other corporate practices. This Policy applies across all of Buyer's operations, and can be found via the Social Responsibility link on Buyer's website or by contacting Buyer directly. Seller and retained subcontractors are encouraged to adopt and enforce a similar policy.

49. Electronic Communications and Electronic Signatures

Seller shall comply with any method of electronic communication specified by Buyer, including, but not limited to, requirements for electronic funds transfer, Purchase Order transmission, electronic signature and communication.

50. Supplier Diversity Program and Minority Suppliers

Buyer has established a supplier diversity program to support the development and maintenance of a qualified and diverse supply base. Buyer actively seeks diverse suppliers and encourages Seller to use diverse suppliers as well. A diverse supplier is a business which meets one or more of the following criteria:

- (i) a business that is at least fifty-one (51) percent owned by a woman or women who also control and operate the business;
- (ii) a business that is at least fifty-one (51) percent owned by a service-disabled veteran or veterans who also control and operate the business;
- (iii) a business that is at least fifty-one (51) percent owned by a veteran or veterans who own and operate the business;
- (iv) a business that is at least fifty-one (51) percent owned by a minority or minorities who own and operate the business; or
- (v) other categories of diverse businesses which the Buyer may include in its supplier diversity program.

51. Disposal of Scrap

Any materials, assemblies, subassemblies or goods related to Buyer's Purchase Order which are disposed of by Seller in any manner other than through sale to Buyer are deemed "scrap", and must be rendered unusable for anything other than material content. If "scrap" materials are resultant from a cancellation claim, disposal must only occur after inspection, audit, and disposal instructions are received from Buyer. Buyer has the right to inspect all pertinent documentation, data and other information relating to the disposal of any and all "scrap".

52. Ethical Sourcing of Minerals

Valiant TMS has adopted a Conflict Minerals Policy whereby Buyer takes measures to exercise due diligence in identifying sources of any Conflict Minerals used in its products, and to only procure such products from "conflict free" suppliers. Buyer requires Seller to adopt and enforce a similar policy, and to disclose to Buyer the sources of any Conflict Minerals used in Seller's products prior to any shipments. This Policy applies across all of Buyer's operations, and can be found via the Social Responsibility link on Valiant TMS' website or by contacting Buyer directly.

53. Anti-Terrorism

For Seller's products to be imported into Canada and/or the United States, Seller shall implement and comply with all applicable recommendations or requirements of the Customs Trade Partnership Against Terrorism (C-TPAT) initiative. At Buyer's or Customs Services' request, Seller shall certify in writing its compliance with the C-TPAT guidelines. Seller shall indemnify Buyer from any liability, claims or expenses arising from, or relating to Seller's non-compliance with C-TPAT.

54. Valiant Owned Tooling – Title, Identification

All right, title, interest in or to any part of tooling to be paid for by Buyer ("Valiant Owned Tooling") shall pass to Buyer as soon as it's acquired or fabricated in accordance with a Purchase Order. During the term of the Purchase Order, all Valiant Owned Tooling in the Seller's possession shall be deemed Bailed Property and not a fixture or part of the Seller's real property. The Seller shall: (i) properly house and maintain such property on Seller's premises; (ii) clearly mark it property of Buyer; (iii) not commingle it with property of the Seller or other third party; (iv) adequately insure it against loss and/or damage and (v) not move it to another location without the prior consent of Buyer, except in the event of an emergency, where Seller may move tooling provided that Buyer is notified of the move and new location as soon as reasonably able. To the extent permitted by law, Seller waives its right to object to the repossession of Valiant Owned Tooling by Buyer in the event Seller is involved in bankruptcy proceedings. While in Seller's possession, Seller shall maintain Valiant Owned Tooling in the condition in which it arrived and replace any items that are lost or worn out, at Seller's expense, and at Buyer's consent. All repaired or replaced Valiant Owned Tooling, in part or whole, shall be the property of Buyer. Title to any modifications or changes to Valiant Owned Tooling shall vest in Buyer regardless of whether Buyer has reimbursed Seller for said modifications or changes. Valiant Owned Tooling shall not be used in the production, manufacture, or design of any goods or materials except to the order of Buyer. If the Valiant Owned Tooling is not utilized for a period of two years, Seller shall notify Buyer and request instructions as to the disposition of the Valiant Owned Tooling.

55. General

- i. Time shall be of the essence of this agreement and every part thereof.
- ii. Risk remains with the Seller until a Purchase Order or Purchase Order number is issued.
- iii. No amendment to this Purchase Order will be valid or binding unless set forth in writing and duly executed by both parties.

- iv. The invalidity of any one of the words, sentences, clauses, sections or subsections contained in the Purchase Order shall not affect the enforceability of the remaining portions of the Purchase Order or any part thereof, and in the event that any one or more words, phrases, sentences, sections or subsections contained in the Purchase Order shall be declared invalid, the Purchase Order shall be construed as if no modifications had been made.
- v. It is expressly agreed that Seller and Buyer are independent contracting parties and nothing in the Purchase Order shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of, or in the name of the other.
- vi. Seller acknowledges having required that this document be drafted in English.
- vii. Descriptive headings are inserted solely for convenience of reference. They do not form a part of these Terms and Conditions and are not to be used as an aid in interpreting these Terms and Conditions.
- viii. The following are Aerospace requirements regarding the need for the supplier to:
 - Notify the organization of nonconforming product, per outline above
 - Obtain the organization's approval for the disposal of product deemed nonconforming
 - Notify the organization of any changes in product and/or process, changes of suppliers, changes of manufacturing facility location and--where required--obtain organization approval
 - Follow the supply chain process for all applicable requirements, including customer requirements

56. Confirmation of Terms and Conditions

Seller acknowledges and confirms having read, examined, understood and approved each of the provisions of this document.

Receipt of the within General Purchase Order Terms and Conditions (VCH4-0055) is acknowledged this ___ day of ____, by the undersigned. The undersigned acknowledges and agrees that these Terms and Conditions shall, from time to time, be incorporated by reference into Purchase Orders issued to it. The undersigned agrees to be bound by these Terms and Conditions in connection with all Purchase Orders issued to it.