

PURCHASE ORDER TERMS AND CONDITIONS

"Buyer" means the legal entity specified on this purchase order. "Seller" means the party selling the applicable products or services to Buyer. By selling products or services to Buyer, Seller confirms that the following terms and conditions apply to Buyer's purchases. Any modifications must be in writing and signed by Buyer. References to "products" include items specifically provided for in the Purchase Agreement (as defined below) or incorporated in services Buyer purchases from Seller.

1. TERMS AND CONDITIONS OF PURCHASE. (a) Any products or services Buyer purchases from Seller by electronic, phone, paper or any other form of transmission, are purchased subject to the following: (i) if Seller already has a fully-signed purchase agreement currently in effect with Buyer, then the terms of that agreement shall control, and that agreement, together with the terms and conditions of this purchase order and any subsequent purchase orders issued under said agreement and not in conflict with that agreement, shall constitute the complete agreement; and (ii) if Seller does not already have a fully-signed purchase agreement currently in effect with Buyer, then the terms and conditions of this purchase order and any subsequent purchase orders issued hereunder shall constitute the complete agreement. The complete agreement as stated hereinabove shall be referred to as the "Purchase Agreement".

(b) Seller may not assign or subcontract its obligations under the Purchase Agreement without the prior written consent of Buyer, and if Seller does so, the assignment or subcontract will be void.

(c) The Purchase Agreement shall be governed by, and interpreted under, the laws of the Province of Ontario and the federal laws of Canada applicable therein, without regard to its conflict of law provisions. The parties expressly disclaim the application of the United Nations Convention for the International Sale of Goods (1980).

2. PRICING; PAYMENT. (a) Unless otherwise provided elsewhere in the Purchase Agreement, prices are: (i) stated in Canadian dollars; (ii) not subject to increase for the duration of the Purchase Agreement; and (iii) DDP pursuant to INCOTERMS 2000 at a facility specified by Buyer. No extra charges of any kind, including but not limited to surcharges, will be allowed unless first specifically agreed to by Buyer in writing.

(b) Unless prohibited by law, Seller will separately indicate on its invoices any taxes imposed on Buyer as a result of the sale or delivery of products or services.

(c) Unless otherwise provided elsewhere in the Purchase Agreement, payment will be 2.0% 15 days, net 60 days from the later of the date of Buyer's receipt of (i) an undisputed invoice; or (ii) conforming products or services, as applicable. Invoice date must not precede shipping date.

(d) Seller represents, warrants, certifies and covenants that it is selling at the lowest prices and upon the most favorable terms (including, without limitation, volume, quality and/or payment terms) that it offers any buyer for goods or services of the same or similar quality as those provided for in the Purchase Agreement. If, during the term of the Purchase Agreement, Seller makes an offer to sell any such goods or services to a third party at a lower price or upon one or more terms that are more favorable than the price or terms then applicable under the Purchase Agreement, then an equivalent reduction or modification of terms will apply to all products or services purchased thereafter for the balance of the term of the Purchase Agreement. On at least an annual basis or, upon request by Buyer, no more often than once during each six (6) month period, Seller shall deliver a certificate to Buyer, signed by an officer of the Seller, certifying that Seller was in full compliance with this Section 2(d) during the previous twelve (12) month period.

(e) If, at any time during the term of the Purchase Agreement, Buyer notifies Seller, in writing, that a third party has made a competitive offer to sell products or services pursuant to one or more terms (including, but not limited to, price, volume, quality and/or payment terms) that are more favorable to Buyer than the terms then in effect under the Purchase Agreement (the "Favorable Terms"), then Seller will meet, or notify Buyer that it will not meet, such Favorable Terms within seven (7) days of receipt of Buyer's notice thereof. Seller's failure to meet such Favorable Terms within such seven (7) day period shall be deemed a decision not to meet such Favorable Terms regardless of whether Seller specifically notifies Buyer thereof. If Buyer is obligated under the Purchase Agreement to buy certain quantities of products or services from Seller, and Seller does not meet the Favorable Terms as provided above, then Buyer will be released from its obligations with respect to any quantities of products or services available from the third party on such Favorable Terms.

(f) Buyer will be responsible for all sales, use, value-added and similar taxes (excluding taxes based on or measured by the net income, net worth or gross receipts of Seller and any other taxes which are personal to Seller) imposed as a result of the sale of products or services. With notice to Seller, Buyer may pay such taxes directly to the taxing authority where allowed by law. Seller shall remit all taxes paid by Buyer to the appropriate taxing authority. Upon Buyer's request, Seller will provide written evidence that Seller is properly licensed to collect the taxes paid by Buyer.

(g) If the Purchase Agreement obligates Buyer to buy a percentage of its product requirements from Seller, reasonable amounts of product purchased from a third party supplier for purposes of qualifying such products shall be deemed excluded from Buyer's requirements and can be used by Buyer for commercial production and sale.

3. TRANSPORTATION; DELIVERY. (a) Delivery dates are firm and TIME IS OF THE ESSENCE WITH RESPECT TO DELIVERY. Seller will promptly notify Buyer in writing if Seller anticipates difficulty in complying with a required delivery date and will use best efforts to meet the required delivery date. Buyer has no obligation to accept deliveries that are not made on the required delivery date. If Seller fails to meet a required delivery date, Buyer may procure replacement products or services and Seller will be liable to Buyer for all costs incurred by Buyer as a result of such failure.

(b) Unless otherwise provided elsewhere in the Purchase Agreement, delivery will occur, and title and risk of loss will transfer, when: (i) with respect to product not incorporated into services, conforming product passes into Buyer's storage facility; and (ii) with respect to product incorporated into services, the completed services have been accepted by Buyer.

4. INSPECTION. Buyer may inspect and test all products and services and all materials, equipment and facilities utilized by Seller in producing products or providing services for Buyer. Seller will maintain an inspection and testing system for the same that is acceptable to Buyer and will keep records of all inspection and testing data and, with respect to products, samples of each lot shipped, for two (2) years after delivery. Unless otherwise agreed by Buyer in writing, Seller will deliver to Buyer a certificate of analysis as to specifications approved by Buyer with respect to each product lot shipped.

5. WARRANTIES. In addition to any warranty implied by fact or law (a) Seller represents, warrants, certifies and covenants that all products and services will be: (i) free of any claims by third parties; (ii) in strict accordance with the specifications, samples, drawings or other descriptions approved by Buyer; (iii) free from any and all defects, latent or patent; and (iv) to the extent that Buyer relies on Seller to specify the products or services, fit for their intended purpose. Seller further warrants it has good title to the products and that all (x) products will be merchantable, and (y) services will be performed in accordance with the standards of care and diligence normally practiced by persons performing similar services and in the best workmanlike manner. The above representations, warranties, certifications and covenants will be in effect for a period of eighteen (18) months from the date of receipt of conforming product by Buyer or twelve (12) months from the date of final acceptance of services by Buyer; provided however, that where a latent defect is discovered, the above representations, warranties, certifications and covenants will be in effect for a period of twelve (12) months from the earlier of the date of discovery by Buyer of a latent defect in Seller's product or services or the date such latent defect should reasonably have been discovered by Buyer with the exercise of reasonable diligence. If any products or services fail to conform to the above representations, warranties, certifications and covenants, then Seller, at Buyer's option, will: (1) with respect to products, replace or repair the nonconforming products; (2) with respect to services, re-perform all services necessary to correct any such nonconformity; or (3) refund the purchase price of the nonconforming products or services and any related costs incurred by Buyer. Any replacement products or services also will be subject to the above representations, warranties, certifications, covenants and warranty periods from the date of delivery or performance of such replacement products or services. The warranty period for repaired products will be extended to account for the time lapsed until the repair was completed. If Seller does not replace, repair or re-perform, as applicable, within a reasonable time after notice of such nonconformance, Buyer may do so at Seller's expense.

(b) Any rights or remedies of Buyer set forth in the Purchase Agreement are not exclusive and Buyer also has all rights and remedies available under applicable law.

6. QUANTITY TERMINATION; ORDER CHANGES. (a) Buyer may, by written notice to Seller, terminate its purchase of any quantity of products or services (i) for convenience, (ii) if Seller fails to complete or deliver any part thereof when required, and/or (iii) if Seller is in breach of any term of the Purchase Agreement, including, without limitation, any provision of Sections 7, 8 or 9 below. If terminating for convenience, Buyer will pay Seller termination charges equal to the cost of materials and labor incurred (and not otherwise mitigated) on ordered products or services prior to the date of Buyer's termination notice; provided Seller takes all steps reasonably necessary to mitigate such costs. Seller will notify Buyer, in writing, specifying the actual termination charges within thirty (30) days after termination. If termination is due to a failure of completion of delivery or breach of any material term of the Purchase Agreement, no termination charges will apply and Buyer may procure substitute products or services and Seller will be liable to Buyer for all costs incurred by Buyer as a result of such failure or breach.

(b) Prior to shipment or completion, Buyer may request changes with respect to the products or services to be provided, including, but not limited to, changes in method of shipping or packing, time or place of delivery and increases in delivered quantity. Seller will promptly notify Buyer of any resulting increase or decrease in cost and Buyer and Seller will agree on any price adjustment before implementing any such change. In the absence of such agreement, Buyer shall have the sole option to withdraw its request for any such change.

7. COMPLIANCE WITH LAWS. Seller represents, warrants, certifies and covenants that Seller will comply with all applicable laws, rules, regulations and orders in performing its obligations under the Purchase Agreement, including, but not limited to, applicable Canadian and US laws relating to customs and export control, environmental, health and safety laws and regulations, immigration laws and those dealing with equal employment opportunity. To the extent that any products transferred under the Purchase Agreement contain hazardous materials, Seller is responsible for packaging, labelling, handling, transportation, storage, providing all information necessary for compliance or to permit compliance in accordance with all Canadian legislation relevant to hazardous, dangerous goods, occupational health and safety and any other applicable law, rule or regulation, and mandated labeling information, or any similar requirements in any other jurisdictions to which Buyer informs Seller the products are likely to be shipped. From time to time, at Buyer's request, Seller shall provide certificates to Buyer relating to compliance with applicable legal requirements.

8. CONFIDENTIAL INFORMATION; OWNERSHIP OF DOCUMENTS AND MATERIALS. (a) Seller will treat as confidential and not disclose any information received from Buyer in connection with the Purchase Agreement to any person not first authorized by Buyer in writing to receive it. Seller will use such information only as necessary to fulfill its obligations under the Purchase Agreement. Upon termination of the Purchase Agreement, all such information will be returned to Buyer, or at Buyer's option, destroyed by Seller. Seller will not make any announcement or release any information concerning the Purchase Agreement to any other person or entity, including, but not limited to, the press or any official body, except as required by law (and then upon prior written notice to Buyer), unless prior written consent is obtained from Buyer.

(b) All drawings, models, specifications and other documents and materials prepared by Seller specifically in connection with the products or services supplied under the Purchase Agreement will become Buyer's property and be delivered to Buyer, as part of the consideration for the Purchase Agreement, upon (i) completion, abandonment or postponement of the services or delivery of the products required by the Purchase Agreement, or (ii) termination of the Purchase Agreement. Seller hereby assigns any and all rights that it has in and to all such drawings, models, specifications, documents and materials to Buyer.

9. INTELLECTUAL PROPERTY INFRINGEMENT. Seller represents, warrants, certifies and covenants that the sale or use of the products or services provided to Buyer will not infringe or contribute to the infringement of any patents, trademarks, or copyrights anywhere in the world. If any product, service or part thereof is held to constitute an infringement, Seller will, at its expense, obtain for Buyer a license to use the product, service or part thereof or replace or modify the same, in a manner satisfactory to Buyer, so as to avoid the infringement. Seller shall not assert any of its patents or other intellectual property rights against Buyer or Buyer's affiliates, subsidiaries or customers worldwide in connection with any use of products, services or parts

thereof provided to Buyer in the production, use, preparation, sale, or delivery of, or other action with respect to, the products or services of Buyer or Buyer's affiliates, subsidiaries or customers.

10. QUALITY. (a) Seller will not change the manufacturing process, raw materials or proportions of raw materials used in products delivered to Buyer under the Purchase Agreement unless Seller notifies Buyer in writing of the change at least ninety (90) days before its implementation and Buyer agrees to the change in writing. Seller will be liable for all costs, losses and damages that Buyer, its affiliates and subsidiaries and their respective officers, directors, employees and agents (collectively, the "Buyer Party(ies)") may incur or suffer if Seller does not comply with the requirements of the preceding sentence. At Buyer's request, Seller will provide samples of product produced with the proposed change to test in Buyer's manufacturing process.

(b) Seller will participate in programs implemented by Buyer with respect to quality in manufacturing and delivery of products and services.

11. CUSTOMS AND TRADE. (a) Unless otherwise agreed by Buyer in writing, Buyer will not be a party to the importation of products. All purchases under the Purchase Agreement will be consummated subsequent to importation, prices will be inclusive of all duties and other costs of customs clearance and Seller will not cause or permit Buyer's name to be shown as "importer of record" on any customs declaration. In any case where Buyer agrees, in writing, to be the importer of record, Seller will provide all information needed to effect customs entry into each country into which the products are to be imported.

(b) Seller will provide such documentation and other assistance as Buyer may request to allow Buyer to claim drawback of duties and taxes on products or articles manufactured from products provided under the Purchase Agreement.

(c) Seller will accurately indicate the country of origin of the products provided under the Purchase Agreement on the customs invoice and other applicable documentation. Seller will provide certificates of origin relating to such products within the meaning of the rules of origin of the NAFTA preferential duty provisions and execute such other documents as may be necessary for Buyer to claim duty preference under any applicable provisions.

12. PRODUCTS - INSURANCE. Seller shall maintain in full force and effect from the date of first sale of products and for three (3) years following the date of Buyer's last acceptance of products, the following minimum insurance coverages: (i) Commercial General Liability insurance on an "occurrence" basis including coverage for premises, contractual, products and completed operations liability with a combined single limit of \$2,000,000 for bodily injury and property damages; and (ii) Umbrella insurance with a limit of \$5,000,000 that follows form over the Commercial General Liability policy. The policies shall provide a worldwide coverage territory, respond to claims made anywhere in the world, and shall name the Buyer Parties as "additional insureds" on a primary and non-contributory basis. All required insurance must be with companies licensed in the jurisdiction in which the products are sold, and be acceptable to Buyer. No insurance will be deemed to be in effect until satisfactory certificates thereof are delivered to Buyer, containing provisions requiring the insurance carrier to notify Buyer at least thirty (30) days prior to any expiration or termination of, or material change to, the policy.

13. SERVICES - LIENS; SITE RULES; INSURANCE. (a) Seller will obtain from all of its subcontractors waivers and releases of all liens which may be imposed by them against the products or services provided under the Purchase Agreement or the premises of any of the Buyer Parties or the improvements thereon, and Seller will fully defend, indemnify, hold harmless and reimburse the Buyer Parties with respect thereto.

(b) Seller will conform strictly to all of Buyer's site rules and regulations when performing services on the premises of any of the Buyer Parties. It is Seller's obligation to obtain a copy of Buyer's site rules.

(c) Seller shall maintain in full force and effect, while performing any services for Buyer, whether or not on the premises of any of the Buyer Parties, and for a period of three (3) years following the last date of Buyer's acceptance of the services, the following minimum insurance coverages: (i) Worker's Compensation insurance providing statutory benefits per the applicable laws of the jurisdiction in which the services are to be performed, even where the provision of such insurance is not required by law; (ii) Employer's Liability insurance with a limit of \$1,000,000 for bodily injuries by disease or accident; (iii) Commercial General Liability insurance on an "occurrence" basis including coverage for premises, contractual, products and completed operations liability with a combined single limit of \$2,000,000 for bodily injury and property damages; (iv) Automobile Liability insurance for owned, leased, non-owned or hired vehicles covering bodily injury, death and property damage, with a combined single limit of \$1,000,000 per accident; (v) Umbrella Coverage with a limit of \$5,000,000 that follows form over the Commercial General Liability, Automobile Liability and Employer's Liability policies and (vi) if performing professional services for Buyer, Professional Liability insurance with a limit of \$2,000,000 and a retroactive date of at least the first date services are performed for Buyer or earlier. All required insurance must be with companies licensed in the jurisdiction in which the services are performed, and be acceptable to Buyer. No insurance will be deemed to be in effect until satisfactory certificates thereof are delivered to Buyer, containing provisions requiring the insurance carrier to notify Buyer at least thirty (30) days prior to any expiration or termination of, or material change to, the policy.

In addition, the Commercial General Liability, Automobile Liability and Umbrella policies shall name the Buyer Parties as "additional insureds" on a primary and non-contributory basis, and specifically insure the Buyer Parties for their respective negligence and other culpable conduct. All policies shall contain a waiver of subrogation in favor of the Buyer Parties. Seller will also require insurance from all of its subcontractors with at least the same coverages and limits stated herein and provide satisfactory certificates of insurance prior to allowing subcontractors to enter onto any of the Buyer Parties' premises.

It is agreed that Seller, in rendering any services on the premises of any of the Buyer Parties, will be an independent contractor and that neither Seller nor any principal, partner, agent or employee of Seller is the legal representative of any of the Buyer Parties for any purpose whatsoever and has no right or authority to assume or create, by action, in writing or otherwise, any obligation of any kind, express or implied, in the name of or on behalf of any of the Buyer Parties and neither Seller nor any principal, agent or employee of Seller shall be entitled to or be eligible to participate in any benefit program extended by Buyer, its affiliates or subsidiaries to their employees.

(e) All Seller's employees providing services under the Purchase Agreement must be authorized to work in the jurisdiction where the services are performed.

14. INDEMNIFICATION. Seller will fully defend, indemnify, hold harmless and reimburse the Buyer Parties and their shareholders, customers and assigns from and against all claims, suits, actions, proceedings, damages, losses and expenses, including but not limited to reasonable legal fees and disbursements and court costs arising out of, related to, or resulting from: (a) any breach of any representation, warranty, certification, covenant or agreement made by Seller in the Purchase Agreement; (b) any negligence or willful misconduct of Seller, its affiliates, subsidiaries and/or their respective officers, directors, employees and/or agents (the "Seller Party(ies)") in connection with performance under the Purchase Agreement; (c) any litigation, proceeding or claim by any third party, including but not limited to any of the Seller Parties, relating to the obligations of Seller under the Purchase Agreement; and (d) any of the Seller Parties' use, control, ownership, or operation of their respective businesses and facilities.

15. BUYER'S PROPERTY. Unless Buyer otherwise agrees in writing, all tools, equipment or other materials furnished to Seller by Buyer are the personal property of Buyer. Seller will adequately identify Buyer's property and safely store it separate and apart from Seller's property. Seller will not substitute any property for Buyer's property and will use such property only in fulfilling its obligations under the Purchase Agreement. While in Seller's care, custody or control, Buyer's property will be held at Seller's risk, kept insured by Seller at Seller's expense, and subject to removal at Buyer's request. Furthermore, Buyer shall not be liable for, nor have any obligation to insure against, any loss or damage to the Seller Parties' (or any of their subcontractors') tools, machinery, equipment and other personal property. Seller, on behalf of the Seller Parties, hereby waives their and their insurers' rights of subrogation against the Buyer Parties for damage or destruction to such property, and shall require all subcontractors to waive subrogation rights as well.

16. SET-OFF. Buyer may set off any amount owing at any time from Seller or any of Seller's affiliates or subsidiaries to Buyer or any of Seller's affiliates or subsidiaries against any amount payable at any time by Buyer under the Purchase Agreement.

17. FORCE MAJEURE. (a) Any non-performance or delay in performance of any obligation of Seller or Buyer under the Purchase Agreement will be excused to the extent such failure or non-performance is caused by "Force Majeure." "Force Majeure" means any cause preventing performance of an obligation under the Purchase Agreement which is beyond the reasonable control of the Seller or Buyer, and which, by the exercise of due diligence, could not be overcome, including without limitation, fire, flood, sabotage, shipwreck, embargo, explosion, strike or other labor trouble, accident, riot, acts of a governmental authority, and acts of God. In no event shall Seller's ability to sell products or services at a better price or Seller's economic hardship in buying raw materials necessary to manufacture products at a commercially reasonable price constitute Force Majeure or an event of commercial impracticability.

(b) If Buyer or Seller is affected by Force Majeure, it will (i) promptly provide written notice to the other party, explaining the full particulars and the expected duration of the Force Majeure and (ii) use its commercially reasonable efforts to remedy the interruption or delay. In the event of Force Majeure, notwithstanding any other provision of the Purchase Agreement, Buyer will have the right to purchase products and services from other sources during the period of Force Majeure. If a Force Majeure extends for more than sixty (60) days, the Purchase Agreement may be terminated by Buyer upon written notice without any liability on its part.

(c) If a Force Majeure compels Seller to allocate deliveries of products or services, Seller will make such allocation in a manner that ensures Buyer at least the same proportion of the Seller's total output as was purchased by Buyer prior to the Force Majeure. Seller will use best efforts to source products or other items, at Seller's expense, from its own or its affiliates' and/or subsidiaries' global operations or the market in order to meet Buyer's required delivery dates.

18. TERMINATION. Each party reserves the right to terminate this Purchase Agreement and all of its obligations and liabilities hereunder by written notice to the other party if: (a) the other party breaches any of the terms or conditions hereof and fails to cure the same to the terminating party's reasonable satisfaction within thirty (30) days of the date of the terminating party's written notice specifying the nature of such breach; (b) the other party becomes or is declared insolvent or bankrupt, is the subject of any proceedings relating to its dissolution, winding-up, liquidation, reorganization, or insolvency; (c) a petition under the Bankruptcy and Insolvency Act (Canada) or proceedings instituted under the Companies' Creditors Arrangement Act (Canada) is filed against the other party and is not vacated within thirty (30) days; (d) the other party makes an assignment for the benefit of its creditors; (e) a receiver, receiver manager, manager, sequestrator, or similar officer of all or any portion of the other party is appointed; or (f) any action under any law for the relief of debtors is taken by or with respect to the other party. If Seller has not complied in any respect with Sections 7, 8 or 9 above, Buyer shall have the right to immediately terminate the Purchase Agreement, without further compensation to Seller. After receipt of a notice of termination, the Seller shall immediately: (i) stop work as directed in the notice; (ii) place no further subcontracts or purchase orders for materials, services or facilities, except as necessary to complete the continued portion of the Purchase Agreement, if any; and (iii) terminate all subcontracts to the extent that they relate to the work terminated.

19. ACCESS AND AUDIT. In order to assess Seller's work quality and compliance with the Purchase Agreement, Seller will permit Buyer reasonable access to (i) all locations where work is performed in connection with the products or services provided for in the Purchase Agreement, and (ii) Seller's books and records relating to the Purchase Agreement. Seller must maintain its books and records pertaining to the Purchase Agreement for at least three (3) years following the date of Buyer's last acceptance of products or services under this Purchase Agreement.

20. SEVERABILITY. If for any reason a court of competent jurisdiction finds any provision of this contract or portion thereof to be unenforceable, that provision shall be enforced to the maximum extent permissible so as to effect the intent of this contract, and the remainder of this contract shall continue in full force and effect.

21. LANGUAGE. The parties have required that this Purchase Agreement and all documents relating thereto be drawn up in English. Les parties ont demandé que cette convention ainsi que tous les documents qui s'y attachent soient rédigés en langue anglaise.