

Note: All contractors, who hire subcontractors, must provide F&P with a Statutory Declaration of Progress Payment Distribution by Contractor, form CCDC 9A (available at www.ccdc.org) with each progress payment.

General

- A. This Purchase Order (the “Order”), including the following terms and conditions (the “General Terms and Conditions”) and the terms and conditions provided for the Buyer hereof constitute the complete and final agreement of Buyer and Seller with respect to the subject matter hereof and may not be added to, modified, superseded or altered except by written agreement signed by Buyer’s authorized representative. Buyer hereby rejects any terms and conditions which may now or hereafter appear on Seller’s invoices, quotations acknowledgement or other forms, and nay acceptance of shipments, payments or other similar act of Buyer shall not be construed as Buyer’s acceptance of any such terms and conditions.**
- B. Prompt acceptance of this Order hereof is requested. Any shipment delivery or other tender of performance by Seller (including commencement of any work) with respect to the subject matter hereof shall be taken as Seller’s unqualified acceptance of this Order.**

1. Performance

- A. Buyer shall have the right at any time to change this Order as to specifications, delivery, packing or means of shipment. Seller’s receipt of Buyer’s notice of change without response received by Buyer within 10 days, or shipment or other performance reflecting the change, whichever occurs first, shall be Seller’s acceptance of the change without any price or other adjustment to this Order. Seller shall not make any change in the goods, material or work provided for in this Order (collectively the “Goods”), whether by changes in or to specifications, design, manufacture, process, machinery, dies and molds, standard or method or material or composition, without Buyer’s prior written consent.**

- B. Time and quantity are of the essence of this Order. Unless otherwise specified, delivery time means time of delivery of the Goods to the place of delivery (destination) designated by Buyer.**
- C. Absent Buyer's specific written instructions to the contrary. Seller will pack, label, ship and deliver all Goods in an appropriate and suitable manner selected by Seller so as to ensure the lowest transportation cost, if any, for which Buyer is responsible. Buyer's count of Goods will be final as to all shipments not accompanied by packing list. Seller will inform buyer immediately of any event which may result in any delivery delay or in any quantity different from the quantity specified in this Order and of corrective measures adopted by Seller to minimize the effect of any such event.**
- D. Seller may not assign any of its rights or obligations under this Order and may not subcontract with respect to the Goods, without Buyer's prior written consent.**
- E. Seller will maintain appropriate insurance with respect to the subject matter hereof including without limitation public liability, product liability, property damage and (in connection with employees engaged with respect to the Goods) Worker's Compensation insurance and will provide Buyer certification of such insurance upon Buyer's request.**
- F. In the event any claims, demands or lawsuits (including without limitation any claims, demands or lawsuits with respect to any alleged infringement of patents, copyrights, trademarks, tradenames or trade secret or with respect to labourers, contractors, suppliers, or other persons claiming through Seller) are made or brought against Buyer in relation to or by reason of Buyer's purchase or use of the Goods, Seller shall hold Buyer completely free and harmless with respect thereto and without limitation, shall diligently defend all proceedings against Buyer, pay all costs of any proceedings (including any legal fees) and pay all costs incurred by Buyer in connection therewith.**

2. Sellers Obligations

- A. All Goods furnished hereunder shall be of the highest grade and quality and shall comply with all specifications, drawings and standards provided for in this Order, all samples approved by Buyer,**

and all applicable laws, regulations and rules now existing or hereafter enacted, replaced or amended.

B. In the event any Goods furnished under are not of the highest grade and quality or do not comply with any of the items referred to in paragraph 3A or are otherwise defective, Buyer may (without limitation) return the Goods to Seller who will immediately refund and return to Buyer all costs incurred by Buyer in respect of the Goods plus freight to Buyer's warehouse or facility and freight for return to Seller, or (at Buyer's option) repair, correct or replace the Goods to the satisfaction of Buyer at Seller's cost and expense.

3. Price

A. Unless otherwise specified herein, all prices shall be F.O.B. place of delivery (destination) designated by Buyer inclusive of all applicable taxes, duties, quotations fees and other governmental impositions on or related to the production, importation, sale or transportation of the Goods. Buyer and Seller will each cooperate upon request of the other in obtaining and furnishing such certificates or other evidence required to establish that any duties or sales, excise or other taxes do not apply to the Goods by reason of exemption or otherwise.

B. Unless otherwise specified herein, the price of Goods shall be payable in Canadian funds on or before the 25th day of the calendar month following the calendar month of the Buyer's acceptance of the applicable Goods.

C. Unless otherwise specified herein, title to Goods shall pass to Buyer upon its acceptance of the applicable Goods. Goods shall be and remain at Seller's risk prior to the time at which title thereto passes to Buyer and Seller shall maintain appropriate insurance to cover such risk until such time.

4. Force Majeure

Provided Buyer or Seller (the "delayed party"), as the case maybe, gives the other prompt written notice of the nature and anticipated duration of the applicable, excusable delay (as defined below), the delayed party may suspend its performance hereunder during the existence of any delay (an "excusable delay") not occasioned by the fault or negligence of the delayed party and which results from acts of

God or the public enemy; restrictions, prohibitions, priorities or allocations imposed by governmental authority, embargos, floods, fires, typhoons, earthquakes, epidemics or unusually severe weather; strikes or labor disputes involving only the delayed party's employees, or similar causes. Excusable delays do not include lockout or shortage of labour, lack of or inability to obtain raw materials, fuel or supplies or any other industrial disturbance. Nothing contained in this paragraph shall limit Buyer's rights hereunder in any way, except that in the event Seller's performance hereunder is suspended by reason of excusable delay. Seller shall not be liable for Buyer's incidental or consequential damages resulting from the applicable excusable delay.

5. Buyer's Property

All tools, equipment, dies and jigs, drawings, specifications and other material and information of every description furnished to Seller by Buyer or paid for by Buyer shall at all times be the sole property of Buyer, be plainly marked and/or otherwise clearly identified by Seller as "Property of F&P Mfg., Inc." be stored separate and apart from Seller's property, be treated as confidential so as to prevent its disclosure inconsistent herewith, be used only pursuant to this Order, be subject to Buyer's immediate possession on demand and, in any event, be delivered to Buyer concurrent with termination of this Order or completion of shipment of the Goods hereunder. Seller shall maintain appropriate insurance in favour of Buyer in respect of any tangible items referred to above until they are delivered to Buyer.

6. Advertising

Seller shall not advertise or publish in any manner that Seller has contracted with or furnished Goods to Buyer.

7. Termination

A. Buyer may at any time terminate this Order in whole or in part by written notice to Seller, whereupon Seller shall terminate work pursuant to the terms of such notice and without any further liability of Buyer except as provided herein.

B. If Buyer terminates this Order for reasons other than Seller's default hereunder, the following provisions of this paragraph shall apply. Seller shall promptly advise Buyer in writing of the quantities of work and material which the Seller has on hand or has purchased in

respect of the Goods as of the date of such termination, and of its recommendation as to the most favourable disposition thereof. Seller will comply with Buyer's instructions regarding disposition of such work and material. All claims by Seller based on such termination must be asserted, in writing and in full, within 60 days from the date of notice of such termination. The amount of such claim shall be limited to the order price of finished work and the cost to Seller, excluding profit or losses, of work in process and raw material, less however, without duplication, (1) the agreed value of any items used or sold by Seller with Buyer's consent, and (2) the cost to Seller or reasonable value (whichever is higher) of any defective, damaged or destroyed work or material and of any items used or sold by Seller without Buyer's consent, and (3) any order price of finished work and any cost to Seller, excluding profit or losses, of work in process and raw material (i) applicable to items ("inventory items") normally carried in inventory by Seller (as distinguished from items specifically made to Buyer's specification), or (ii) applicable to other items fabricated or procured by Seller unnecessarily in advance or in excess of Buyer's delivery requirements in respect of such other items.

- C. On termination of this Order, Buyer shall have no liability in respect of inventory items, except for the order price of inventory items which are accepted by Buyer, and were received by Buyer prior to such termination and not returned to Seller within 10 days of such receipt together with Buyer's undertaking to reimburse Seller for its direct cost of handling and transporting such inventory items.**
- D. The payments provided for in this clause 8 shall constitute Buyer's only liability in the event this Order is terminated as provided here.**

8. Inspection and Testing

- A. Seller will submit to Buyer all production, functional and quality control test reports and other data as may be requested by Buyer from time to time concerning the Goods. Seller grants to Buyer the right to enter Seller's premises during reasonable business hours to make such inspection and examination as Buyer may deem appropriate and agrees to fully cooperate with Buyer in effecting**

such inspection and examination. Any such inspection and examination shall not limit Buyer's right hereunder.

B. Buyer shall be considered to have accepted Goods only upon successful completion by Buyer of its final inspection and testing of the applicable Goods at the place of delivery (destination) designated by Buyer. Such inspection and testing shall be made within a reasonable time after Buyer's receipt of the Goods at such place, irrespective of date of payment, and any Goods which are not fully satisfactory to Buyer may be rejected by notice to Seller. Rejected Goods are to be replaced immediately after notice of rejection with substitute Goods satisfactory to Buyer, or, at the option of Buyer exercised by written notice, the quantity of Goods may be reduced by the quantity of rejected Goods.

10. Miscellaneous

A waiver by Buyer of any of its rights hereunder or of any breach hereof by Seller shall be effective only if it is expressed in writing and signed by Buyer. The provisions hereof shall survive to the extent necessary to give effect thereto. The agreement constituted by this Order shall in all respects be governed by and construed in accordance with the laws of, and Buyer and Seller attorn to the jurisdiction of the courts of the Province of Ontario, Canada.

If you are registered to collect HST by the Canada Revenue Agency, please provide your HST registration number