

**CLAUSE 1- ORDERS**

- The following Terms and Conditions shall apply to all purchase orders Delastek Inc. may issue to a Seller.
- Any other Terms and Conditions proposed by a Seller shall not apply unless a written notice is submitted to Delastek Inc. for review and acceptance.
- Exceptions to any of the Terms and Conditions shall be mutually agreed to by both parties prior to being applicable to this order.
- Delivery of articles or acceptance of this order by the Seller shall be considered as compliance to Delastek Inc. purchase order Terms and Conditions.
- The format of the order shall specify the description of the items and identify the purchase order number, quantities, delivery schedule, applicable drawings and/ or specifications, pricing.

**CLAUSE 2- CHANGES AND/OR EVOLUTION**

- Delastek Inc. may execute delivery schedule changes to this order without the Seller's approval and / or additional cost, provided that a 4-week notice is given to the Seller for any schedule change that may result to an acceleration or a deceleration of the original purchase order delivery date.
- The supplier is obligated to inform Delastek Inc. of any change or evolution of the products or manufacturing processes before applying these changes and must wait for Delastek Inc's approval.
- The supplier cannot entrust the realization of the product or part of this one without Delastek Inc's approval. If a supplier of Delastek Inc. entrusts the realization of the product or part of this one to a third party, this party will have to respect the same requirements that those initially requested by Delastek Inc.

**CLAUSE 3- DELIVERY**

- Seller shall be responsible for its shipment until delivery to the FOB location specified on this purchase order.
- A shipment can be received at the most 10 days prior to the delivery date of the purchase order. Otherwise, Delastek Inc. reserves the right to keep the shipment and pay the invoice as if the delivery was made according to the purchase order delivery date or return the shipment collect to the originator.
- Without prior notice to the Buyer, for any partial shipment and/ or late delivery, the Seller will be liable for any direct damages that may result to Delastek Inc. not being able to comply with its customers purchase order terms and conditions.

**CLAUSE 4- PAYMENT AND DISCOUNT**

- The payment by Delastek Inc. will be made net 45 days after acceptance of the article. Payment of the article will be executed based on the unit price described on Delastek Inc. purchase order confirmation document. Discounts will be calculated from the same period as the payment.

**CLAUSE 5- INVOICE, PACKING AND SHIPPING**

- A distinct invoice on which should be clearly stated the purchase order number, part number, quantity shipped, unit price and total amount invoiced should be included with each shipment. In addition, a copy of the invoice should be sent via mail at the following address:

Delastek Inc.  
2699, 5<sup>e</sup> Avenue, local 14  
Shawinigan (Québec) G9T 2P7  
A/S Comptes Payables **At the attention of the Accounts Payable Department**

- Premium/ Overnight transportation will be paid by the Buyer only when the authorization is given to the Seller.
- If an overnight transportation is required due to delays caused by the Seller, the additional cost related to the premium shall be at the Seller's charge.
- Single article boxes shall be identified with the purchase order number, the part number and the quantity. When multiple articles are regrouped in one box, they must be packaged separately inside that box and the packages must be identified as if they were a single article, as described above.

**CLAUSE 6- QUALITY CONTROL**

- Seller must maintain a quality control system that will answer Delastek's requirements, or any other quality control specification described in this order.
- Delastek Inc. keeps the right to revise the Seller procedures, practices and documents related to the quality control system.
- Delastek Inc., its customers and the legal authorities governing them, reserve the right to visit the suppliers' facilities or its thirds, to inspect documents concerning quality and to audit the quality system, as well as the production sites.
- Non-conformance in the Seller's quality control system will result to the Buyer option to cancel at no charge the purchase order with the Seller.
- Nonconforming product disposition must be approved by Delastek Inc. before its execution.
- Seller has to have a process to prevent counterfeit parts, in order to provide authentic and conforming products per sales order.
- The supplier must ensure state of his product to allow the capability of its designed and intended purpose without causing unacceptable risk of damage to persons or property. (Reference AS9100D)
- The supplier must ensure employees are aware of on the importance of contributing to conformity of services and products within the company.
- The supplier or its thirds cannot remove the documents concerning the realization of the product (test sheets, monitoring document of production, etc.), without Delastek Inc's authorization.

**CLAUSE 7- WARRANTY**

- The article provided by the Seller under this order shall be free from defects, compliant to the specified specifications and drawings and is to accomplish the purpose for which it was designed and manufactured. Seller's warranty shall be extended to provide to the Buyer a minimum of 12 months after receipt and acceptance of the article by Delastek Inc.
- Defect article will be return collect to the Seller for repair or replacement, at buyer's option. The Seller will return the replacement/ reworked unit within 15 days from receipt of the defect unit. For warranty claims, the buyer will debit the Seller account for the value of the article and freight charges incurred both from and to the buyer's facility.
- If for any reasons impractical to return the defect unit, the buyer may rework the unit at its own facility and charge a reasonable charge to the Seller or scrap the unit with Seller's approval.

**CLAUSE 8- COMPENSATION**

- Buyer may withhold from payment to the Seller any amount sufficient to compensate Delastek Inc. for any damages, loss, expense related to the Seller failure to comply with the requirements of this order.

**CLAUSE 9- TERMINATION**

- If the Seller cannot fulfill its commitment to the terms of this order, the buyer will have the option to terminate this order at no charge, unless the Seller can provide within 5 days of the non-conformance an acceptable plan of action to satisfy the Buyer's requirements.

**CLAUSE 10- APPLICABLE LAWS**

- Buyer and Seller hereby agree that the exclusive jurisdiction and venue in which any lawsuit involving this order may be filed is governed and construed exclusively under the laws of the Province of Quebec.
- In accordance with laws and business practices, the supplier must give importance to ethical behavior.