



**SAMUEL, SON & CO., INC.**  
**TERMS AND CONDITIONS OF PURCHASE ORDER**

**1. INCLUSION OF BUYER'S TERMS:** The terms and conditions contained herein (collectively, the "**Terms**") are included in, and form an essential part of, each order (an "**Order**") made by Samuel, Son & Co., Limited or any of its subsidiaries or affiliated companies (the "**Buyer**") to purchase goods, materials and/or equipment (collectively, the "**Goods**") or services (the "**Services**") from a seller/supplier (the "**Seller**"). The Order may be in the form of a purchase order, acceptance of Seller's quotation, or other agreement between Buyer and Seller. Unless, and then only to the extent that, Buyer expressly agrees in writing to a variation of the Terms, Seller, by accepting or fulfilling all or any part of an Order, conclusively and without qualification agrees to the Terms without variation. NO OTHER TERMS SHALL APPLY TO ANY ORDER AND NO AGREEMENT OR UNDERSTANDING IN ANY WAY ADDING TO OR OTHERWISE MODIFYING THE TERMS, WHETHER OR NOT ON SELLER'S QUOTATION OR OTHER DOCUMENT, SHALL BE BINDING ON BUYER UNLESS AGREED TO IN WRITING BY BUYER.

**2. ORDER ACCEPTANCE:** Seller must acknowledge the receipt and acceptance of Buyer's Order within three (3) working days from the Order issuance date, failing which Buyer's Order shall be deemed to be accepted by Seller.

**3. QUANTITIES AND PRICES:** Buyer's count shall be accepted as conclusive for all shipments not accompanied by a packing slip. Buyer reserves the right to reject and return any Goods in excess of the quantities specified in the Order. Unless Buyer otherwise agrees in writing, prices for Goods or Services to the extent not specified in an Order shall be those applicable to Buyer's last preceding Order for a comparable quantity, or if there is none, Seller's last preceding quotation for the comparable quantity.

**4. INVOICE:** Seller must dispatch invoices to Buyer not later than the day shipment is made, together with the original bill of lading or other bona fide receipts. An invoice is not complete and payment is not due unless the invoice clearly indicates the F.O.B. point and all cash discount and payment terms. Unless otherwise stated in the Order, Buyer's standard payment terms are net sixty (60) days from the receipt of Goods or acceptance of Services.

**5. CHANGES:** Buyer may at any time before acceptance of the Goods, by written notice to Seller, change the specifications, drawings, design, processing, material, fabricating, packing, shipping, delivery, other description or other requirements (collectively "**Specifications**") of the Goods or Services that are the subject to an Order. Buyer will adjust the purchase price equitably for the affected Goods or Services if any such change affects Seller's costs.

**6. REJECTION:** Buyer may reject Goods after inspection because of inferior quality, defect or other non-compliance with the Order. Goods so rejected shall be returned to Seller and shall not to be replaced without Buyer's prior written consent. Notwithstanding the foregoing, failure to inspect the Goods by Buyer shall not relieve Seller of any liabilities or warranties with respect to such Goods, including but not limited to non-compliance to Specifications or quality requirements.

**7. DELIVERY:** Seller shall promptly confirm, in writing to Buyer, receipt and acceptance of an Order, and specify a delivery date. Buyer may cancel the Order without cost or charge if (i) Seller's specified delivery date is not satisfactory to Buyer, or (ii) Seller, for any reason, fails to fulfill delivery as specified. Buyer may choose to return to Seller all Goods shipped in advance of the specified delivery, or to defer payment for advanced deliveries until the specified delivery date. Unless otherwise stated in the Order all delivery Terms shall mean delivered to Buyer's locations.

**8. EXPORT/IMPORT:** Seller shall, upon Buyer's written request, promptly furnish to Buyer all export/import documents Buyer may reasonably request, including, without limitation, any documents required to obtain customs drawbacks. Where Goods are being exported under NAFTA, upon Seller's

acceptance of the Order, Seller agrees to (i) provide Buyer with a valid NAFTA certificate of origin for the Goods, (ii) fully co-operate with Buyer's customs broker and all Customs officials regarding all requests for information within the specified legislative time limits, and (iii) be responsible for any additional costs (eg. duties, penalties, interest and professional costs) incurred by Buyer as a result of NAFTA certificates being deemed invalid by Customs officials.

**9. WARRANTY:** Seller expressly represents and warrants that all Goods and Services included in an order shall (i) be free of any encumbrance, (ii) conform to the Specifications, (iii) be merchantable, of good workmanship and material, and free from defect, (iv) be free of every Conflict Mineral (as such term is defined in §1502 of the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and regulations thereunder, as amended from time to time), and (v) comply with all applicable laws, including without limitation, laws and regulations applicable in relations to health and safety, packaging and labelling. These warranties are in addition to all other warranties specified herein, provided by Seller, or implied by law. In case of ambiguity or discrepancy in any part of the Specifications, Seller, before proceeding, must consult Buyer whose written interpretation shall be final.

**10. INDEMNIFICATION:** Seller agrees to indemnify Buyer and its affiliated entities as well as each officer, director, employee, representative, agent, successor and permitted assign of any of the foregoing from and against any and all expenses, damages, claims, demands, suits, losses, actions, judgments, proceedings, liabilities and costs (collectively, "**Losses**") whatsoever arising out of: (a) Seller's breach of any terms of these Terms, (b) any accident, injury, property or death that occurs in connections with the Goods and Services; (c) failure to comply with any applicable laws; and (d) any third party claims arising out of the foregoing, including any Losses arising from any recall or product liability claims by Buyer and/or its customers.

**11. FORCE MAJEURE:** Buyer reserves the right to cancel this order and/or terminate this contract due to a Force Majeure Event beyond the reasonable control of Buyer. A "Force Majeure Event" means acts of nature, civil commotion, riot, war (declared and undeclared), revolution, or embargoes, strikes, lockouts, labor troubles, inability to procure materials, restrictive governmental laws or regulations or other acts of government (including tariffs, duties or similar trade actions). For greater certainty, Buyer shall have no liability to Seller in the event of cancellation or termination due to a Force Majeure Event.

**12. CANCELLATION:** Buyer may, by written notice to Seller, cancel an Order, or any part thereof, without cost or liability to Buyer, if any of the Goods, Services or Seller's performance do not comply, in whole or in part, with the Terms. If, pursuant to any of the Terms, Buyer may cancel an Order or return any Goods to Seller, (i) the Goods so returned shall be at Seller's risk and expense, and Seller shall be responsible, and reimburse Buyer, for all transportation charges to Buyer and return to Seller, plus Buyer's cost for labour, reloading, transportation and similar charges, and (ii) Buyer shall have no liability to Seller but Buyer shall have such other rights and remedies as are available at law; this shall apply notwithstanding any prior payment by Buyer to obtain a cash discount (if applicable). Furthermore, Buyer may require shipment of any Goods in a different manner if Seller fails to meet the shipping requirements forming part of the Specifications, in which case Seller shall be responsible for any increased cost.

**13. PATENTS:** Seller represents and warrants that (i) all Goods and the use thereof by Buyer, do not and will not infringe any patent right, and (ii) Seller will defend any claim that may arise in respect thereto. Seller indemnifies and saves harmless Buyer, and each of Buyer's officers, directors, employees, subsidiaries, parents, affiliates, and vendees from and against all liabilities, losses, damages, obligations, settlement payments, losses, costs and expenses (including, without limitation, full indemnity legal costs whether an action or other proceeding has or has not been commenced) (collectively, the "**Claims**") which Buyer may suffer or incur by the assertion of patent rights and/or infringement by any other person with respect to the Goods or any part thereof.



**14. PACKAGING:** No charge shall be made to Buyer for boxing or packaging, or for materials used therein, without Buyer's prior written agreement, in which case Seller shall add such agreed to charges as a separate item in Seller's invoice and attach supporting data.

**15. CONFIDENTIALITY:** Seller acknowledges that the Order is Buyer's confidential information and Seller agrees that none of the details contained therein will be disclosed to a third party without Buyer's prior written consent, except as required by law or reasonably required to fulfil the Order. Buyer may enforce this provision by injunction or any other manner permitted by law.

**16. TOOLS:** When the amount charged to Buyer for Goods includes Seller's cost of plates, dies and other tooling (collectively, the "**Tools**") for the manufacture of the Goods, all Tools will become the property of, and be delivered to, Buyer upon its payment for the Goods.

**17. FORM OF PAYMENT:** Buyer's payment of invoices shall be by cheque or wire transfer. No other method of payment (including, without limitation, C.O.D.) shall be acceptable to Buyer without Buyer's prior written agreement.

**18. ANTI-CORRUPTION COMPLIANCE:** Seller and each person employed, engaged by or acting on behalf of Seller shall comply with Buyer's Code of Conduct (as amended from time to time and published on Buyer's website or provided to Seller upon written request to Buyer) and all applicable anti-corruption laws and policies (collectively, the "**Anti-Corruption Laws**") in respect of the Order. If Seller or any person employed, engaged or acting on behalf of Seller breaches any provision of the Buyer's Code of Conduct or the Anti-Corruption Laws in respect of the Order, Buyer shall be entitled to terminate the Order by written notice to Seller with immediate effect. Without prejudice to Buyer's right to terminate this Order, Seller indemnifies and saves harmless Buyer, and each of Buyer's officers, directors, employees, subsidiaries, parents, affiliates, and vendees from and against all Claims arising out of or in connection with any breach of this Section.

**19. TITLE AND RISK OF LOSS:** Title and risk of loss to Goods shall pass to Buyer only upon receipt of the Goods by Buyer.

**20. GOVERNING LAW:** The validity, construction, and interpretation of all documents relating to the Order, and rights and duties of Buyer and Seller, shall be governed by the laws of the State of Illinois. The parties hereby attorn to the exclusive jurisdiction for the resolution of any disputes hereunder to a state or federal court located in Cook County, Illinois, provided that that Buyer may, at its option, commence proceedings in any jurisdiction where Seller carries on business or owns any assets.

**21. AUTHORIZED PURCHASES:** Buyer shall not be bound by any Order or agreement with Seller unless made in writing by an authorized representative of Buyer.

**22. NOTICES:** Any notice to be given by either party to the other may be given by delivery, facsimile transmission or electronic mail to the intended recipient (i) if intended for Seller, to Seller's address last known to Buyer, and (ii) if intended for Buyer, to Buyer's address for Buyer's branch that placed the Order, and shall be deemed to have been received by the intended recipient on the first day after the notice is so given.

**23. BUYER RIGHTS NOT EXCLUSIVE:** Buyer's rights under the Terms are not exclusive, and are in addition to any other rights and remedies available to Buyer.

**24. MISCELLANEOUS:** The Terms shall survive acceptance of the Goods or Services, and payment, by Buyer. No waiver of any rights or remedies shall be binding on Buyer unless set forth in a written waiver signed by Buyer. No failure or forbearance by Buyer to enforce any of the Terms or to exercise any right or remedy available to Buyer, and no payment by Buyer shall constitute a waiver by, or affect any right or remedy available to, Buyer, and shall not be deemed a waiver of any future default by Seller or of any future right or remedy available to Buyer. The Sections and headings in the Terms are for convenience of



reference only, and shall not limit or otherwise affect the meaning of any the provisions contained in the Terms. Buyer's Terms are subject to change without prior written notice to Seller. It is the responsibility of Seller to verify the Terms before accepting the Order. The invalidity or enforceability of any provision in the Terms shall in no way effect the validity or enforceability of any other provision, which for this purpose are considered severable. Time shall be of the essence.

**25. LANGUAGE:** The parties hereto declare that they have requested that these presents and all related document be drafted in the English language.

**26. AEROSPACE SPECIFIC:**

1. Seller will notify the buyer of non-conforming product.
2. Seller, where applicable, will obtain buyer's approval for nonconforming product disposition.
3. Seller will notify the buyer of changes in product and/or process definition, changes of suppliers, changes of manufacturing facility location and where required, obtain buyer's approval.
4. Seller will flow down applicable requirements, including buyer's requirement, within the supply chain.
5. Seller must retain records for a minimum of 5 years.
6. Seller will provide right of access to the buyer, buyer's customer, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved with the order and applicable records.

*Updated: December 2018 (replacing April 2018)*