

---

# Polycontrols Standard Purchase Order Terms and Conditions

By accepting a Purchase Order or by shipping the goods and/or commencing performance of the services referenced therein, the supplier agrees to these terms. The supplier further agrees that no other terms, including terms included in quotations or invoices, shall take precedence over the above referenced terms other than through a written agreement duly executed by a Polycontrols authorized representative.

## 1. **Scope**

- a. These Standard Purchase Order Terms apply to all goods and services supplied to Polycontrols by Supplier ("**Products**").
- b. The provisions set forth in Schedule A shall apply only to all goods and services provided by Supplier to Polycontrols that are subject to the AS9100 Standard.

2. **Acceptance.** This Purchase Order is an offer to buy the goods and/or services described herein and becomes a binding contract on the terms and conditions herein when accepted by the Supplier either by acknowledgment or by shipment or other commencement of work. Any acceptance hereof is limited to acceptance of the express terms of the offer contained in the Purchase Order. No revision of this Purchase Order or any of the terms and conditions hereof shall be valid unless agreed to in writing and signed by an authorized representative of Polycontrols, and no condition stated by Supplier in acceptance of or acknowledging this Purchase Order shall be binding upon Polycontrols if in conflict with, or inconsistent with, the terms and conditions contained herein unless expressly accepted in writing by Polycontrols.

3. **Order Cancellation and Termination.** Polycontrols reserves the right to cancel any undelivered or unperformed portion of this Purchase Order for its sole convenience without liability to Supplier (including for any indirect or consequential damages of Supplier's), other than for Supplier's reasonable and documented costs incurred to the date of cancellation. If Polycontrols cancels and reimburses Supplier's reasonable costs, then Polycontrols is entitled to any finished goods and work-in-process related to the cancelled Purchase Order. Polycontrols may also terminate this Purchase Order or any part hereof for cause and in such event, Polycontrols shall not be liable to Supplier for any amount and Supplier shall be liable to Polycontrols for any and all damages sustained by reason of the cause which gave rise to the termination. For purposes of the foregoing sentence "cause" shall include, without limitation, late delivery or performance, a delivery of defective or nonconforming goods or workmanship, a breach of any of Supplier's warranties hereunder, any other material default or failure of compliance by Supplier with the terms and conditions hereof, the commencement or continuance of any bankruptcy or insolvency proceeding by or against Supplier, or any legal process or order directing or requiring Polycontrols to undertake or refrain from undertaking any business or certain types of business with the result that the goods and/or services ordered hereunder shall be unnecessary to Polycontrols.

4. **Quantities and Specifications.** By acceptance hereof, Supplier shall be deemed to have inspected and approved all plans, drawings, and specifications applicable to the goods and/or services ordered pursuant to

the Purchase Order (the “**Specifications**”). Supplier shall not deliver, and Polycontrols shall not have any obligation or liability with respect to any quantity of goods in excess of the quantity specified in the Purchase Order unless Polycontrols shall otherwise direct in writing.

5. **Packaging.** Supplier shall take appropriate safety measures to pack and protect the goods properly to prevent moisture, rust, wetting, shock and dust and shall be responsible for any loss for its not having adequately taken such appropriate measures.
6. **Warranties.** Supplier expressly warrants that it will convey good title to all goods furnished hereunder and that all goods and/or services furnished hereunder will conform to all Specifications and appropriate standards, will be free from defects in material and workmanship, will be merchantable, and will be safe and appropriate for the purpose for which goods of that kind are normally used. If Supplier knows or has reason to know the particular purpose for which Polycontrols intends to use the goods, Supplier warrants that such goods will be fit for such particular purpose. The warranties of Supplier shall run to Polycontrols, its successors, assigns, and customers and users of products sold by Polycontrols. All such warranties shall survive inspection, test, acceptance and use of the goods furnished under this Purchase Order. Supplier hereby assigns to Polycontrols any warranties or guarantees provided by manufacturers or sellers of products incorporated into goods or services provided by Supplier hereunder and shall upon request enforce any such warranty or guarantee on behalf of Polycontrols. NO ATTEMPT BY SELLER TO DISCLAIM, EXCLUDE, LIMIT, OR MODIFY ANY WARRANTIES OR SELLER'S LIABILITY OR CONSEQUENTIAL DAMAGES SHALL BE OF ANY FORCE OR EFFECT.
7. **Defective or Nonconforming Goods or Services.** No goods or services received by Polycontrols pursuant hereto shall be deemed accepted until Polycontrols has had reasonable opportunity to inspect and/or observe performance of such goods or services. Polycontrols shall have access to and the right to inspect all work prior to its completion. Notwithstanding any such inspection, Supplier shall be solely responsible for the conformance of the work to the Specifications. Supplier shall promptly correct defects or replace any goods or services not conforming to the Specifications or in breach of any of Supplier's warranties hereunder without expense to Polycontrols, provided Polycontrols elects to provide Supplier with the opportunity to do so. Irrespective of whether such defect or nonconformity was discovered upon initial inspection, or a later time if not readily ascertainable upon initial inspection in the event of a failure by Supplier to correct defects or replace nonconforming goods promptly, Polycontrols after reasonable notice to Supplier may make such corrections or replace such goods and charge Supplier for the costs incurred by Polycontrols in doing so. Such remedies shall not affect Polycontrols's discount privileges and shall not exclude any other legal, equitable or contractual remedies of Polycontrols as a result of Supplier's delivery of defective or nonconforming goods or services. If goods covered by this Purchase Order require installation, Supplier shall fully cover any expenses related to such installation.
8. **Price.** Supplier warrants that the prices for the goods sold to Polycontrols hereunder are not less favorable than those currently extended to any other customer of Supplier for the same or similar goods in similar quantities. If Supplier reduces its price for such goods during the term of this Purchase Order, Supplier agrees to reduce the price of the goods purchased hereunder correspondingly. Supplier warrants that prices shown on this Purchase Order shall be complete and no price increases, or additional charges of any type shall be

added without Polycontrols's express written consent. Such additional charges include, but are not limited to, shipping, packaging, labeling, storage, boxing and crating. Delay in receiving invoices and errors and omissions on statements or invoices will be considered just cause for withholding settlement without losing discount privileges.

9. **Delivery.** Supplier shall notify the Polycontrols promptly of any delays or threatened delays in the performance of this Purchase Order. No acceptance of goods or services after the scheduled delivery date will waive Polycontrols's rights with respect to such late delivery nor shall it be deemed a waiver of future compliance with the terms hereof. If, in order to comply with Polycontrols's required delivery date it becomes necessary for Supplier to ship by a more expensive way than specified in the Purchase Order, any increased transportation costs resulting therefrom shall be paid for by Supplier unless the necessity for such costs has been caused by Polycontrols.
10. **Intellectual Property Rights.**
  - a. To the extent that any goods delivered under the Purchase Order contain any intellectual property of Supplier, and except as provided in the Purchase Order or agreed in writing between Supplier and Polycontrols, Supplier hereby grants to Polycontrols a worldwide, royalty-free, non-exclusive, perpetual license to use, copy, modify and distribute such intellectual property as part of the goods delivered hereunder. Supplier agrees to provide to Polycontrols all assistance reasonably requested by Polycontrols to perfect the rights described herein, including obtaining all assignments and waivers of moral rights necessary or appropriate to vest the entire right, title and interest in such materials in Polycontrols and its successors and assigns.
  - b. Polycontrols shall own any and all intellectual property rights in and to any original intellectual property developed by Polycontrols using the products unless otherwise expressly agreed in writing.
11. **Risk of Loss.** All risk of loss shall be upon Supplier until such time as the goods are delivered to the destination specified in the Purchase Order and there accepted by Polycontrols. Supplier agrees to indemnify and hold Polycontrols harmless for any and all loss, cost, damage, and expense which Polycontrols shall sustain as a result or in consequence of the loss of or damage to the goods during such period of time.
12. **Legal Compliance.** Supplier warrants and agrees that in the performance of its obligations hereunder, Supplier, its agents, employees, carriers and subcontractors shall (a) comply with all applicable legislation, including where applicable all such laws, ordinances, codes, rules, regulations and orders pertaining to labor and working conditions, safety and health, food and drug quality, and hazardous materials; (b) apply for, obtain, and pay for all necessary permits and licenses, and pay applicable fees in connection therewith, and (c) pay promptly when due any and all applicable sales, excise, or other taxes due on materials furnished in connection with services performed, and all taxes and amounts due under applicable unemployment, social security, and worker's compensation laws.
13. **Indemnification.** Supplier shall save and hold Polycontrols, its directors, officers, employees, agents, customers and representatives harmless from and indemnify, defend, and protect such parties against all liability, loss, claims, demands, damage (including damage to property or bodily injury), and expenses

(including reasonable attorney's fees and expenses) arising out of or in any way resulting from: (a) Supplier's performance or non-performance hereunder, including any defect or nonconformity with Supplier's warranties of the goods and services delivered hereunder, any act or omission of Supplier, its agents, employees, or subcontractors; (b) any act or omission of any carrier selected and employed by Supplier to deliver goods ordered hereunder to Polycontrols; (c) any failure by Supplier, its agents, employees, carriers, or subcontractors to timely deliver the goods hereof or in general, comply with the terms hereof; (d) any infringement or claim of infringement of any patent, unpatented invention, copyright, design process, trademark, trade name, brand, slogan, unfair competition, or other adverse rights; and (e) any litigation based on or arising out of the foregoing.

14. **Payment Terms and Set-Off.** Any Supplier invoice, not promptly disputed by Polycontrols in writing, shall be paid by Polycontrols within sixty (60) days of receipt of Supplier's invoice, or any other mutually agreed to period of time. All claims for money due or to become due from Polycontrols shall be subject to deduction or set-off by Polycontrols by reason of any counterclaim arising out of this or any other transaction with Supplier, including any amount from a Supplier invoice that Polycontrols has promptly disputed in writing.
15. **Changes.** Polycontrols shall have the right at any time to make changes in the Specifications, packaging, time and place of delivery and method of transportation. If any such changes cause an increase or decrease in the cost or the time required for the performance, an equitable negotiated adjustment shall be made, and the agreement created by the acceptance of this Purchase Order shall be modified in writing accordingly. Supplier agrees to accept any such changes subject to this paragraph. Supplier shall undertake no work on any such change unless and until Supplier delivers a quote and Polycontrols issues a new purchase order. Unless Supplier presents to Polycontrols an itemized statement of claim within twenty (20) days following receipt of Polycontrols's change notice, Supplier shall be deemed to have waived all claims against Polycontrols in relation to such change.

No changes, including but not limited to changes in manufacturing or assembly processes, or to components or other materials, internal or external finishes, of the products, or location of manufacturing facilities are to be made by Supplier without Polycontrols's express prior written consent. Polycontrols must be notified at least 90 days prior to the proposed date of such change being implemented. No shipment of the changed products shall be made to Polycontrols prior to Supplier's receipt of Polycontrols's written approval of the relevant change.

## 16. Confidentiality

- a. Confidential Information. The Parties acknowledge that for the purpose of the performance of this purchase order, one Party may disclose to the other confidential and/or sensitive information ("**Confidential Information**"). The Party disclosing information is referred to as the "Disclosing Party" and the Party receiving information as the "Receiving Party." "Confidential Information" shall mean (i) non-public information concerning a Party's products, business and operations of a Party and its affiliates that may be at any time furnished, communicated or delivered by the Disclosing Party to the Receiving Party, whether in oral, tangible, electronic or other form; (ii) the terms of any agreement, including this Agreement, and the discussions, negotiations and proposals related to any agreement; (iii) information acquired during any tours of or while present at a Party's facilities;
- b. Non-Disclosure; Non-Use; The Receiving Party shall maintain the Confidential Information in strict confidence and disclose the Confidential Information only to its employees and agents who have a need to know such Confidential Information in order to fulfill the business affairs and transactions between the Parties contemplated by this Agreement and who are under confidentiality obligations no less restrictive than this Agreement. The Receiving Party agrees not to use the

Disclosing Party's Confidential Information for its own purpose or for the benefit of any third party, without the prior written approval of the Disclosing Party.

- c. The Receiving Party shall at all times remain responsible for breaches of this Agreement arising from the acts of its employees and agents. Receiving Party shall protect Confidential Information by using the same degree of care as Receiving Party uses to protect its own information of a like nature, but no less than a reasonable degree of care, to prevent the unauthorized use, disclosure, dissemination, or publication of the Confidential Information.
- d. **Exceptions; Requested Disclosures.** The Receiving Party shall not have any obligations to preserve the confidential nature of any Confidential Information that (i) Receiving Party can demonstrate by written records was rightfully in the Receiving Party's possession before receipt from the Disclosing Party; (ii) is or becomes a matter of public knowledge through no fault of the Receiving Party; (iii) is rightfully provided to Receiving Party from a third party without, to the best of Receiving Party's knowledge, a duty of confidentiality; (iv) is independently developed by Receiving Party without use of the Confidential Information, as demonstrated by competent evidence. If the Receiving Party is confronted with legal action to disclose Confidential Information received under this Agreement, the Receiving Party shall, unless prohibited by applicable law, provide prompt written notice to the Disclosing Party to allow the Disclosing Party an opportunity to seek a protective order or other relief it deems appropriate, and Receiving Party shall reasonably assist Disclosing Party in such efforts. If disclosure is nonetheless required, the Receiving Party shall limit its disclosure to only that portion of the Confidential Information which it is advised by its legal counsel must be disclosed.
- e. **Return of Confidential Information; Survival.** Receiving Party shall promptly return or, at Disclosing Party's option, certify destruction of all copies of Confidential Information at any time upon request or within 30 days following the expiration or earlier termination of this Agreement. Notwithstanding any expiration or termination of this Agreement, Receiving Party's obligations to protect the Confidential Information pursuant to this Section will survive for 5 years after the expiration or earlier termination of this Agreement. Notwithstanding the foregoing, the Parties shall not disclose any Confidential Information that constitutes a trade secret until such time that the information no longer constitutes a trade secret.

- 17. **Limitation on Polycontrols's Liability, Statute of Limitation.** In no event shall Polycontrols be liable for anticipated profits or for incidental or consequential damages. Polycontrols shall not be liable for penalties of any description. Any action resulting from any breach on the part of Polycontrols of its obligations with respect to the goods and services delivered hereunder must be commenced within one year after the cause of action has accrued.
- 18. **Assignment.** Supplier shall not assign, transfer or hypothecate this Purchase Order or any part hereof or any monies payable or to become payable hereunder without in each case obtaining the prior written consent of Polycontrols.
- 19. **Waiver.** Any waiver by Polycontrols of strict compliance with any of the provisions hereof shall not be deemed a waiver of any other provisions hereof and shall not be deemed a waiver of any of Polycontrols's rights, privileges, claims, or remedies, nor of Polycontrols's right to insist on strict compliance thereafter.
- 20. **Product Liability Insurance.** Supplier, while the Purchase Order is being filled, and for at least one year after the date of expiration or termination hereof, will maintain product liability insurance, which shall provide coverage in the amount of at least one million United States Dollars (USD \$ 1,000,000) per occurrence.

---

Supplier will provide to Polycontrols, upon request, a copy of said policy. Supplier will ensure that said policy conforms to the goods warranties set forth in these Terms and Conditions.

21. **Governing Law. Venue.** The agreement between Supplier and Polycontrols with respect to the sale of products shall be construed, and the respective rights and duties of Supplier and Polycontrols shall be determined, according to the laws of the Province of Quebec, without giving effect to its principles of conflicts of laws. The UN Convention on Contracts for the International Sale of Goods shall not apply to the sale of products. The Parties hereby agree that any action arising out of this Agreement will be brought solely in any court located in the Province of Quebec, sitting in the judicial district of Montreal. Both Parties hereby submit to the exclusive jurisdiction and venue of any such court.

22. **General.**

- (a) This Purchase Order and any documents referenced to on the face hereof constitute the entire agreement between the parties, and all prior agreements, written or oral, relating to the subject matter hereof are superseded by the terms hereof. Such terms may be modified only by a writing signed by both parties.
- (b) The provisions of this Purchase Order are severable and in the event any provision is held to be unenforceable, the remaining provisions will continue in full force and effect.
- (c) It is understood that Supplier is an independent contractor and not an employee or agent of Polycontrols and that Supplier shall have no power whatsoever to bind Polycontrols in any way in any dealings between Supplier and third parties and shall not attempt or purport to do so.
- (d) This Purchase Order, including these Terms and Conditions, and the contract created by the acceptance thereof are governed by and shall be construed in accordance with the laws of the Province of Quebec, including Canadian Federal laws applicable therein, without regarding the conflicts of laws principles thereof. The parties hereby expressly exclude the application of the *United Nations Convention on Contracts for the International Sale of Goods* and *An Act respecting the United Nations Convention on Contracts for the International Sale of Goods* (R.S.Q., chapter C-67.01), as amended, replaced or re-enacted from time to time.

## SCHEDULE A

### AS9100 Standard

This Schedule A applies only to all goods and services provided by Supplier to Polycontrols that are subject to the AS9100 Standard.

#### 1. Definitions

In this Schedule A,

**“Material Subcontractor”** means a person other than Supplier providing components, raw materials, manufacturing services or Processes to Supplier with respect to the Products where the performance of components, materials, services or processes supplied by such person may reasonably have a substantial impact on the quality of the Products or the ability for the Products to meet Specifications.

**“Products”** means goods and services supplied to Polycontrols by Supplier that are subject to the AS9100 Standard, including, without limitation, the goods and products listed at Appendix 1 to this Schedule A.

**“Processes”** means all manufacturing processes and systems involved in the sourcing or manufacture of Products.

**“Specifications”** means the technical specifications agreed upon by the Parties with regard to the Products, including compliance with industry standards or norms.

#### 2. General Undertakings

- (a) Supplier acknowledges its role in ensuring the conformity of Products to the Specifications and the safety of goods and services relying on the Products.
- (b) Supplier agrees to provide any information reasonably required by Polycontrols to meet the requirements of the AS9100 Standard.

#### 3. Ethics

Supplier acknowledges the importance of ethical behavior and agrees to adhere to the following principles:

- (a) Supplier should comply with all applicable labor laws and regulations in the jurisdictions in which it operates, including minimum statutory labor conditions a, modern slavery legislation and legislation prohibiting human trafficking;
- (b) Supplier should not discriminate on the basis of age, race, colour, religion, gender, national or ethnic origin, sexual orientation, gender identity, disability, marital or family status, pregnancy, or any other characteristic protected by law in the jurisdiction in which it operates;

- (c) Supplier should ensure that actual and potential risks to workers health and safety are identified and managed in order to mitigate their impact and review and update their safety programs and practices to ensure compliance with applicable law and regulations and industry standards.
- (d) Supplier should adopt a clear policy prohibiting physical, mental, verbal, sexual or any other form of harassment.
- (e) Supplier should avoid situations of real or perceived conflicts of interest and have clear policies or processes on managing conflicts of interests. Supplier should refrain from providing direct or indirect improper personal benefits to Polycontrols' employees and officers.
- (f) Supplier should comply with all applicable antitrust and competition laws and should avoid threats of retaliation or predatory pricing.
- (g) Supplier should not engage, directly or indirectly, in corruption, fraud, bribery, kickbacks, embezzlement, extortion or any other form of corruption. Supplier and Supplier's representatives should not, directly or indirectly, give or receive improper business advantage or anything of value in exchange for preferential treatment. Suppliers should comply with all applicable laws and regulations related to corruption and bribery.
- (h) Supplier shall maintain sufficient and appropriate written records of all business transactions.
- (i) Supplier shall respect the intellectual property rights of third parties.

#### 4. Quality Control

- (a) **Specifications and Standards.** Supplier shall be responsible to ensure that Products are manufactured in accordance with the Specifications and shall flow-down all Specifications to Material Subcontractors.
- (b) **Quality Management System.** Supplier shall implement a quality management system acceptable to Polycontrols to ensure that the Products conform to the Specifications, provide Polycontrols with all relevant information about its quality management system, and implement changes reasonably requested by Polycontrols. Supplier's quality management system shall include measures to prevent the use of counterfeit parts in the Products, including measures reasonably required by Polycontrols from time to time. Supplier shall notify Polycontrols of any nonconformity reported by the quality management system with respect to the Products, Processes or any components or materials included in the Products.
- (c) **Approval and Testing.** Prior to delivery of new Products, Supplier will provide representative production samples of the Products to the Polycontrols for evaluation. Supplier shall afford Polycontrols not less than 30 days within which to evaluate such production samples of the Products and to perform such testing as Polycontrols deems necessary to determine that such Products conform to the Specifications. Polycontrols may request at any time during the term of this Agreement that Supplier submit to the Polycontrols representative production samples of the Products on an annual basis, or more frequently as Polycontrols may deem reasonably necessary in the event of performance failures or excessive customer complaints, so that Polycontrols may evaluate whether such production samples conform to the approved samples and Specifications.
- (d) **Material Subcontractors.** Supplier may only use Material Subcontractors that are designated by Polycontrols or approved by Polycontrols, which approval shall not be withheld without a good reason.



---

Upon request, Supplier shall provide Polycontrols with a list of all Material Subcontractors, including their principal place of business, place of manufacturing and any written agreement between Supplier and Material Subcontractor in connection with the Products. Supplier shall notify Polycontrols at least 30 days before, and in any event within 10 days of Supplier's knowledge of, (i) any change in Material Subcontractors, (ii) any change in the location or method of manufacturing of any Material Subcontractor, (iii) any substantial modification to an agreement between Supplier and a Material Subcontractor.

- (e) **Inspections.** Polycontrols, its customers and any regulatory authority having jurisdiction over Polycontrols shall have the right (either directly or through a third party provider) to inspect the Supplier's facilities, or any other location where the Products or components of the Products are manufactured, to review the Supplier's production of the Products and the compliance of the Products and Supplier's Processes with this Agreement and agreed upon Specifications. Any inspection will occur during business hours and only after Supplier has been provided with at least 10 days written notice of such inspection request by Polycontrols. Supplier shall fully cooperate with Polycontrols and/or with respect to any inspection of Supplier's facilities and shall ensure that any Material Subcontractors' facilities is available for such inspection. Should any deficiencies in such manufacturing facilities or in the production of the Products during any inspection, Polycontrols shall have 90 days following the date of inspection to furnish Supplier with written notice of each such deficiency. Upon receipt of such written notice, Supplier will promptly take all commercially reasonable steps as are necessary to rectify each such material deficiency.
- (f) **Records.** Supplier shall maintain accurate records with respect to the sourcing and manufacturing of the Products, its business relationship with Material Subcontractors, its quality management system and its Processes. All records shall be kept for a minimum period of 7 years following the supply of any Products and shall be made available to Polycontrols upon request.
- (g) **Compliance with Laws and Regulations.** Supplier shall be responsible for ensuring that the Products, and all labeling, packaging and/or promotional materials used in connection therewith, comply with all applicable international, federal, provincial and local ordinances, laws, and statutes governing the manufacture, packaging, promotion and sale of such products, and shall upon request by Polycontrols submit certification(s) stating its compliance status, if available.

**5. Warranty.** Supplier represents and warrants that the Products will (i) be owned by Polycontrols free and clear of any liens, claims or encumbrances; (ii) conform to all agreed upon Specifications; (iii) be fit and sufficient for the purposes for which the Products were manufactured and sold to Polycontrols; (iv) be free from defects in design, material and workmanship; and (v) be new and merchantable. Supplier acknowledges and agrees that these representations and warranties shall survive the inspection, testing, acceptance and/or use of the Products by Polycontrols, are provided for the benefit of Polycontrols and its successors, assigns and end-users of the Products purchased hereunder by Polycontrols, and are in addition to any warranties and remedies to which the Parties may otherwise agree upon, which are provided by law and may not be disclaimed contractually, or are contained in any of Supplier's standard product warranties that accompany the Products.

**6. Confidential Information.** Notwithstanding any agreement to the contrary, Polycontrols shall be authorized to use and disclose any information if required to meet the requirements of the AS9100 Standard, where applicable.