

## PURCHASE ORDER TERMS & CONDITIONS

1. **ACCEPTANCE** – This purchase order constitutes an offer made by DBG Canada Limited, hereinafter referred to as “Purchaser”. If the vendor desires any modification whatsoever in the Purchaser’s offer, the vendor shall notify the Purchaser in writing. No such modification proposed by the vendor will be binding upon the Purchaser until agreed to in writing by the Purchaser.
2. **CONTROLLING TERMS & CONDITIONS** – The terms and conditions of this purchase order shall govern the contract subject to any modification expressly agreed to by the Purchaser in writing.
3. **VENDOR’S QUOTATION** – Reference in this purchase order to Vendor’s quotation does not imply acceptance of any terms and conditions contained in this purchase order shall be deemed to be null and void and have no effect.
4. **PRICES** – It is agreed and understood that all quoted or tendered prices include Federal Sales Tax and Import Duties where applicable. Prices shall include all packaging, shipping, prepaid carriage freight and/or postage charges and taxes as applicable.
5. **CHANGE IN ORDER AS ACCEPTED** – Purchaser reserves the right at any time to make changes in delivery time, drawings and specifications, and materials used or work covered by this purchase order. If any such change causes an increase or decrease in Vendor’s production cost, or time required for Vendor’s performance, then an equitable adjustment in the purchase price referred to in this purchase order will be made by the Purchaser either for the benefit of the Vendor or the Purchaser, as a case may be. Any such changes and related price adjustment will be authorized by change orders issued by the Purchaser.
6. **PROCESSING OR ORDER** – The Vendor understands and agrees as follows:
  - (a) at no charge will be allowed for boxing, packing or crating unless expressly agreed to by the Purchaser;
  - (b) that it will mail invoices and bills of lading to office of mailing indicating on invoices cash discount terms for prompt payment;
  - (c) it will render a separate invoice for each order or shipment;
  - (d) that it will show the purchase order and item number(s) on all invoices, packages, bills of lading, etc...and all communications and reference thereto; and
  - (e) all goods must be shipped by the carrier and route designated by the by the Purchaser and any additional freight or cartage costs incurred directly or indirectly through the Vendor failing to serve this condition will be charged to the Vendor’s account.
7. **INSPECTION** – The Purchaser shall have free access, at all reasonable times, to the premises of both the Vendor and its subcontractors to review the progress of the work and to ensure that the goods are being finished in accordance with this purchase order and, except as otherwise agreed in writing, all shipments shall be subject to final inspection by the Purchaser after receipt by Purchaser at its premises. No intermediate or final inspection by the Purchaser shall in any way derogate from the obligations of the Vendor hereunder.
8. **PPAP** – Vendor will supply a PPAP submission to the Purchaser for approval prior to delivery of products or services. PPAP submission will include at a minimum
  - (a) a PSW (Part Source Warrant) ;
  - (b) a ballooned product drawing and dimensional layout if pertaining to manufacture of product;
  - (c) a material certification ( chemical and physical analysis ) and or a certificate of conformance;
  - (d) a process certification ( chemical analysis of materials used in external process) that conforms to the Purchaser P.O.;
  - (e) an IMDS number; International Material Data System is a collective, computer-based material data system used primarily by automotive OEMs to manage environmentally relevant aspects of the different parts used in vehicles.
  - (f) all other appropriate documentation to be available upon request as per AIAG guidelines;
9. **DEFECTS** – If drawings and specifications are furnished by the purchaser, this purchase order shall be based on such drawings and specifications and approval of sample by the Purchaser. Payment for goods and materials prior to inspection by Purchaser shall not relieve the Vendor from strict and full compliance with such drawings, specifications, and/or replacement at Purchaser’s option. Transportation charges for shipment to Purchaser and return to Vendor shall be paid by Vendor. Initial response is required within 1 business day and NCR need to be closed within 7 calendar days. **Certified material** required until corrective action is approved by quality department.
10. **MATERIALS SUPPLIED** – Any materials supplied by Purchaser on other than a charge basis shall be deemed to be held by the Vendor for and at the direction of Purchaser. Unless otherwise expressly agreed, the Vendor shall pay the Purchaser for all such materials billed or not accounted for to Purchasers’ satisfaction.
11. **WARRANTY** – Vendor warrants that the products, goods and services delivered or furnished in satisfaction of this purchase order will conform to drawings, specifications, samples or descriptions furnished or specified by Purchaser, or if to Vendor’s design will be suitable in every respect for the purposes intended, and will be merchantable, of good material, workmanship and free from defects. Vendor’s warranty is for Purchaser, its successors, assigns and users of it products, and shall be construed as a condition as well as warranty. Vendor further agrees to give immediate notice if any product, materials or the like furnished hereunder fails to comply with applicable statutes, regulations and by-laws of any federal, provincial or municipal authority.

12. **DELAYS** – Vendor agrees to notify purchaser immediately if any events or matters which could cause delay in its delivery of the goods or services herein ordered. If Vendor, for any reason within its control, does not comply with Purchaser's delivery schedule, Purchaser at its option may either approve a revised delivery schedule or cancel the purchase order. In the event of such cancellation, Purchaser shall pay for all goods delivered and services completed in accordance with this purchase order. Exercise by the Purchaser of the right of cancellation reserved in this paragraph 11 hereof shall give rise to no liability on the part of the Purchaser except as specified in this paragraph 11, and shall not have the effect of waiving damages to which the Purchaser may otherwise be entitled.
13. **TOOLS AND DIES** – If this purchase order is for special Tools (i.e. dies, jigs, tools, patterns, etc.) for use in the manufacture of goods for the Purchaser, or if the price to be paid for the goods on the face of this purchase order includes the cost of special Tools for use in the manufacture of goods for the Purchaser, then such Tools shall be the property of the Purchaser and shall be subject to removal from the Vendor's premises at any time without further charges of any nature. The Tools shall be kept in good condition and from time to time replaced by the Vendor without expense to the Purchaser, except that the actual cost of changes due to Purchaser's change of design or specification shall be paid for by the Purchaser. Such Tools shall not be used in filling order other than those of the Purchaser, except with the written consent of the Purchaser, upon cancellation or termination of this purchase order for any reason whatsoever, the Vendor shall prepare these Tools for shipment and dispose of them as the Purchaser shall direct.
14. **CANCELLATION** – Purchaser reserves the right to cancel this purchase order, or any part thereof, at anytime, even if the Vendor is not in default hereunder, by giving written notice to the Vendor. In the event of such cancellation, Purchaser shall pay for all goods delivered and services completed and an equitable settlement shall be arrived at for cost incurred by Vendor for goods and materials in process, not to exceed the total committed quantity and/or price specified in this purchase order. Upon receipt of any notice of cancellation hereunder, Vendor shall, unless otherwise directed, immediately discontinue all work in progress and immediately cancel all orders or subcontracts given or made in respect of this purchase order. Exercise by the Purchaser of the right of cancellation reserved in this paragraph 13 hereof shall give rise to no liability on the part of the Purchaser except as specified in this paragraph 13, it shall not have the effect of waiving damages to which the Purchaser might otherwise be entitled.
15. **PRODUCT LIABILITY INSURANCE** – Vendor agrees to obtain and maintain, at its expense, Product Liability Insurance, including, if so requested by the Purchaser, a Vendor's Endorsement naming Purchaser, in such amounts and with such companies and containing such other provisions as shall be satisfactory to Purchaser, covering goods sold to Purchaser hereunder. Such insurance shall provide that the coverage thereunder shall not be terminated without at least thirty (30) days prior written notice to Purchaser. Vendor shall provide Purchaser upon request with a Certificate of Insurance and a copy of such Vendor's Endorsement.
16. **INDEMNIFICATION** – The Vendor agrees to indemnify and save the Purchaser, its successors, assigns, directors, officers, employees, agents and customers (including distributors and dealers) harmless from and against all loss, damage, liability, costs and expenses (including legal fees) arising out of or in connection with any defects in the goods or services supplied by the Vendor pursuant to this purchase order or their negligent manufacture by Vendor.
17. **TITLE AND RISK OF LOSS** – Title to and all risk of loss of, or damage to the goods shall remain with the Vendor until same have been delivered to the Purchaser at the Purchaser's premises or to such other location as may be designated by the Purchaser, whereupon title to same shall pass to the Purchaser.
18. **INDUSTRIAL PROPERTY** – The Vendor agrees to indemnify and save harmless the Purchaser from any claim or action arising from the alleged infringement of any patent, trademark, industrial design, or other industrial property right as a result of the use or sale of the goods, in case the goods or their use are held to constitute an infringement and their use is enjoined, the Vendor shall promptly secure for the Purchaser the right to continue using their goods, replace the goods with non-infringing goods, or, if unable to do any of the foregoing remove the infringing goods, refund all monies paid therefore and compensate the Purchaser for any and all costs, losses, damages or expenses incurred by it.
19. **COMPLIANCE WITH LAWS** – The Vendor shall supply only purchased materials that satisfy current governmental and safety constraints on restricted, toxic, and hazardous materials, as well as environmental, electrical and electromagnetic considerations applicable to the country of manufacture and sales.
20. **QUANTITIES SHIPPED** – If quantities delivered or shipped do not agree with the quantities ordered hereunder, the entire shipment may be returned by Purchaser at the Vendor's expense.
21. **ALLOCATION** – In the event of a partial failure of the Vendor's source of supply of the goods purchased hereunder, the Vendor shall first meet Purchase's requirements hereunder prior to any allocation among the Vendor's other customers.
22. **TIME OF THE ESSENCE** – Dates of delivery herein specified are the essence of this order, and if deliveries cannot be met as specified the Purchaser shall be notified, and the Purchaser reserves the right to cancel the purchase order or any unshipped portion thereof.