

## DIVERSIFIED ULBRICH

### PURCHASE ORDER TERMS AND CONDITIONS

The following terms and conditions (the “**Terms**”) shall be applicable to all sales made to Diversified Ulbrich (“**Ulbrich**”), a division of Ulbrich of Canada Inc., and shall take precedence over the terms and conditions of sale as set out in any invoice issued to Ulbrich by the supplier (the “**Supplier**”).

1. **Document Retention.** Documents and records pertaining to any order shall be maintained by the Supplier for a minimum period of 10 years or as per original equipment manufacturer (OEM) requirements.
2. **Right of Access.** The Supplier shall grant right of access to Ulbrich, Ulbrich’s customer and regulatory authorities to all facilities involved in any order at any level of the supply chain and to all applicable records.
3. **Notification of Non-Conforming Product.** The Supplier shall provide notification to Ulbrich of nonconforming product, shall obtain Ulbrich’s approval of Supplier nonconforming product disposition, and notify Ulbrich of changes in product and/or process changes of suppliers, changes of manufacturing facility location and where required, obtain Ulbrich’s approval.
4. **Sub-tier Suppliers.** The Supplier shall flow down to sub-tier suppliers the applicable requirements of the Purchasing documents.
5. **Subcontracting Prohibited.** The Supplier shall not sub-contract work without Ulbrich’s consent.
6. **Counterfeit Parts.** The Supplier shall have a program to prevent the use of counterfeit parts.
7. **Safety.** The Supplier ensures that persons are aware of their contribution to product or service conformity, contribution to product safety and the importance of ethical behavior. Material(s) specified on this P.O. are to conform to the standards set by applicable laws and Occupation and Health legislation, including without limitation the *Occupational Health and Safety Act* (Ontario) and the *Act Respecting Occupational Health and Safety* (Quebec).
8. **Quality Management System.** The Supplier shall implement a quality management system and use customer approved sources.
9. **Performance Monitoring.** Ulbrich shall monitor the Supplier’s performance for on time delivery and quality and shall issue corrective action requests to the Supplier when the performance does not meet requirements. The Supplier shall respond to the corrective action requests within the delay written on the corrective action request.
10. **Acknowledgment:** Acknowledgment required on all orders not immediately shipped out of stock.
11. **Packing Slips:** Package slips must be included in all shipments and last copy must state “ORDER COMPLETED”.
12. **Order Number:** Order number must be shown on each package, packing slip and invoice.
13. **Invoices:** Invoices must be rendered in duplicate not later than the day following shipment. Attach bill of lading or express receipt to each invoice.
14. **Deliveries:** Unless otherwise specifically stated, all deliveries are Free on Board (F.O.B.) Ulbrich’s plant at the shipping address shown on the applicable purchase order.
15. **Extra Charges:** No additional charges of any kind, including charges for boxing, packing, cartage, or other extras will be allowed unless specifically agreed to in writing in advance by Ulbrich.
16. **Payment:** It is understood that the cash discount period will date from the receipt of the goods or from the date of the invoice, whichever is later. Change of Destination (C.O.D.) shipments will not be accepted. Drafts will not be honored.
17. **Quantities:** The specific quantity ordered must be delivered in full and not be changed without Ulbrich’s consent in writing. Any unauthorized quantity is subject to our rejected and return at Supplier’s expense.
18. **Price:** If price and terms are not stated in a purchase order, it is agreed that the goods shall be billed at the price and discount last quoted, or billed at the prevailing market price with like discount, whichever is lower. Any purchase order must not be filled at a higher price than last quoted or charged without Ulbrich’s specific authorization.
19. **Applicable Laws:** Supplier represents that the merchandise covered by any order was not manufactured and is not being sold or priced in violation of any federal, provincial, state or local law.

20. **Warranty Specifications:** Supplier expressly warrants that all the materials and articles covered by any order or other description or specification furnished by Ulbrich will be in exact accordance with such order, description or specification and free from defects in material and/or workmanship, and merchantable. Such warranty shall survive delivery, and shall not be deemed waived either by reason of Ulbrich's acceptance of said materials or articles or by payment for them. Any deviations from any order or specifications furnished hereunder, or any other exceptions or alterations must be approved in writing by Ulbrich's Purchasing Department.
21. **Cancellation:** Ulbrich reserves the right to cancel all or any part of the undelivered portion of an order if Supplier does not make deliveries as specified, time being of the essence of this Contract, or if Supplier breaches any of the terms hereof including, without limitation, the warranties of Supplier.
22. **Inspection and Acceptance:** All goods shall be received subject to Ulbrich's right of inspection and rejection. Defective goods or goods not in accordance with Ulbrich's specifications will be held for Supplier's instruction at Supplier's risk and if Supplier so directs, will be returned at Supplier's expense. If inspection discloses that part of the goods received are not in accordance with Ulbrich's specifications, Ulbrich shall have the right to cancel any unshipped portion of the order. Payment for goods on this order prior to inspection shall not constitute acceptance thereof and is without prejudice to any and all claims that Ulbrich may have against Supplier.
23. **Governing Law.** Any order shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in the Province of Ontario. The provisions of the *United Nations Convention on the International Sale of Goods* shall not apply to any order. By accepting an order, the Supplier attorns to the jurisdiction of the courts of the Province of Ontario.