

**NARMCO STANDARD TERMS AND CONDITIONS**

**ACCEPTANCE AND MERGER**

All terms and conditions proposed by Seller which are different from or in addition to this order are unacceptable to Buyer, are expressly rejected by Buyer, and shall not become a part of this order. Any modifications to this order shall be made in writing by the Buyer. This order together with the attachments, exhibits, or supplements, specifically referenced in this order, constitutes the entire agreement between Seller and Buyer with respect to the matter contained herein and supersedes all prior oral or written representations and agreements. This order may only be modified by a Purchase Agreement / Order amendment/alteration issued in writing by Buyer. The Buyer does not, as a result of this Purchase Agreement / Order, in any way or for any purpose, become a partner of the Seller in the conduct of its business or otherwise a member of a joint enterprise with the Seller.

Unless otherwise provided in writing, acceptance by Seller of Purchase Agreement / Order includes the acceptance of these Standard Terms and Conditions.

Alternatively, and with equal force and effect, the commencement of any work, or delivery of goods or the performances of any services hereunder by Seller (including the commencement of any work or the performance of any services with respect to samples) shall constitute acceptance by Seller of this Purchase Agreement / Order and of all of these Standard Terms and Conditions

**OWNERSHIP AND TITLE**

Ownership and free and clear title to all goods shipped by Seller to Buyer shall pass to Buyer when received by buyer, unless otherwise specified in the Purchase Agreement / Order.

**DELIVERY / SHIPPING RELEASES**

Time is of the essence. Deliveries must be affected within the time specified in the Purchase Agreement / Order. Seller shall deliver Products in the quantities and time specified by the Buyer via Shipping Releases. Parties agree that material breaches in delivery will allow the Buyer to terminate this agreement.

Unless specific delivery dates, shipping releases or delivery schedule language are provided in this Purchase Agreement / Order, Seller shall not fabricate any of the supplies covered by this Purchase Agreement / Order, or procure any of the materials required in their fabrication, or ship any of such supplies to Buyer, except to the extent authorized in written instructions

furnished to Seller by Buyer. Buyer shall have no responsibility for supplies of which written delivery instructions have not been provided. Shipments in excess of those authorized may be returned to Seller and Seller shall pay Buyer for all packing, handling, sorting, and transportation expenses incurred in connection with such shipments. Buyer may from time to time change shipping schedules specified in this Purchase Agreement / Order or contained in such written instructions or direct temporary suspension of such scheduled shipments. The supply of Shipping Releases or planning volumes does not guarantee a volume commitment by the Buyer and, unless provided otherwise herein, the Buyer shall only be liable to pay for product physically received; and only if the product conforms with all specifications and requirements of the Purchase Agreement / Order.

**PREMIUM SHIPMENTS**

If, because of failure of Seller to meet the delivery requirements of this Purchase Agreement / Order and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by the Buyer, Seller shall, at Buyers option, (I) promptly reimburse Buyer the difference in cost between the more expeditious method and the original method (ii) allow Buyer to reduce its payment of Seller’s invoices by such difference, or (iii) ship the goods as expeditiously as possible at Sellers expense and invoice Buyer for the amount which Buyer would have paid for normal shipment. Originally specified unless such failure is due to courses beyond the control and without the fault or negligence of Seller.

**EXCUSABLE DELAYS**

- (a) Neither Buyer nor Seller shall be liable for a failure to perform hereunder arising from (1) acts of God or of a public enemy, (2) acts of any Government or political subdivision or any department of regulatory agency thereof or entity created thereby, (3) acts of any person engaged in subversive activities or sabotage, (4) fires, floods, explosions, or other catastrophes, (5) epidemics or quarantine restrictions, (6) strikes, slowdowns, lockouts, or labour stoppages or disputes of any kind, (7) freight embargoes, (8) unusually severe weather, (9) delays of a supplier due to any of the above causes or events or, (10) causes or events beyond the control and without the fault or negligence of Buyer or Seller in failing to perform hereunder.
- (b) In the event of a failure by Seller to perform here-under arising from any of the causes or events set forth in subparagraph (a) of this Paragraph, Buyer shall be entitled to obtain supplies or services covered by this Purchase Agreement / Order elsewhere for the duration of such failure and to reduce, pro tanto, and without any obligation to Buyer the quantity or amount of supplies or services ordered from Seller under this Purchase Agreement / Order.

**PACKING, MARKING, AND SHIPPING**

- (a) All supplies shall be properly packed, marked, and shipped in accordance with the requirements of the common carrier transporting such supplies and of this Purchase Agreement / Order and in a manner which will permit the securing of the lowest transportation rates. Seller shall route shipments in accordance with Buyer's instructions. Seller shall reimburse Buyer for all expenses incurred by Buyer as a result of improper packing, marking or routing.
- (b) Seller shall mark each package in accordance with the current edition of Buyer's Package Identification Specifications or Steel Packing Standards, as applicable.
- (c) Any transportation charges paid by Seller with respect to which Seller is entitled to reimbursement shall be added to Seller's Invoice as a separate item and the receipted freight bill shall be attached thereto.
- (d) Unless otherwise provided in this Purchase Agreement / Order, no charge shall be made by Seller for containers, crating, boxing, bundling, dunnage, demurrage, or storage.

**PACKING SLIPS, BILLS OF LADING, AND INVOICES**

- (a) Each Packing Slip, Bill of Lading, and Invoice shall bear the applicable Purchase Agreement / Order number and the location of the plant to which supplies are being shipped.
- (b) A numbered Master Packing Slip shall accompany each shipment. If less than a carload is being shipped, the slip shall be included in one of the packages which shall be marked "Packing Slip Inside". In the case of a carload shipment the Slip shall be enclosed in an unsealed envelope and tacked near the door on the inside of the freight car.

**FREIGHT RATES, CUSTOM DUTIES, IMPORT TAXES, EXCISE TAXES AND SALES TAXES**

Any reduction in Seller's costs resulting from a reduction in freight rates, customs duties, import taxes, exercise taxes and/or sales taxes from those in force on the date thereof is to be paid to Buyer by Seller in reduction of the price of the goods ordered herein.

**CUSTOMS DRAWBACK DOCUMENTS**

Upon request, Canadian Sellers shall furnish promptly all documents required for Canadian Customs drawback purposes, properly completed in accordance with Government regulations

applicable thereto. Unless otherwise stated herein, all Canadian Customs drawback will be credited to the Buyer.

**INSPECTION**

All supplies and/or work ordered herein are subject to Buyer's inspection and approval as outlined in Quality Control Specification which forms part of the terms and conditions of the order. Seller agrees that Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this order. Buyer's inspection of the goods whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work in process or finished goods. In case any supplies are defective in material or workmanship, or otherwise fail to meet the requirements of this Purchase Agreement / Order and the intended use of the product or service, Buyer shall have the right to reject or to retain and correct such supplies. Seller shall pay Buyer for expenses incurred in correcting defective supplies. Rejected supplies will be held or returned to Seller at Seller's risk for credit and Seller shall pay Buyer for all packing, handling, sorting, warehousing, premium manufacturing cost, and transportation expenses incurred in connection with rejected supplies.

**NONCONFORMING GOODS/ SERVICES**

To the extent Buyer rejects goods as nonconforming, the quantities under this order will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new order or schedule from Buyer.

This order is issued for the part specifically identified in the order and any substitution of material without Buyer's prior approval will be considered breach of the Purchase Agreement / Order.

**WARRANTY**

Seller acknowledges that it knows the Buyer's and Buyer's customers' intended use of Products to be sold under a Purchase Agreement / Order, and that Buyer is relying on Seller's skill or judgement to select or furnish suitable Products, and Seller warrants that the Products will be fit for the particular intended purpose. The warranties provided for in this section are in addition to all other warranties, express, implied or statutory, will survive Buyer's inspection, test, delivery, acceptance, use and payment, and inure to the benefit of Buyer, its successors and assigns, and Buyer's customers and the users of Buyer's or its customers' products. The warranties provided for in this section may not be limited or disclaimed by Seller. The Buyer's approval of Seller's designs, materials, processes, drawings, specifications or the like shall not be construed to relieve Seller of any warranties nor shall a waiver by Buyer of any required specification as to any particular Products constitute a waiver of any such requirements for the remaining Products to be delivered unless stated by Buyer in writing.

In addition to the rights under "Inspection" above and without prejudice to any other rights it may have, the Buyer may reject, return or retain and correct goods that do not conform to the warranties given herein. Rejected or returned goods will be returned for credit at Seller's credit at Seller's risk and expense. Seller will pay Buyer's expenses in correcting defective goods.

**(A) Materials:**

- i) Seller expressly warrants that on the date of delivery all of the materials and work covered by this order will conform to the specifications, drawings, and samples or other descriptions specified by Buyer and will be merchantable of good material and workmanship and free from defect. If Buyer does not provide the design for materials purchased hereunder, Seller expressly warrants that all the material covered by this order, which is the product of Seller or is in accordance with Seller's specifications, will be fit and sufficient for the purposes intended by the Buyer.
- ii) Seller shall comply with the Quality Assurance Manual and other specified quality assurance procedures prescribed by Buyer.
- iii) Seller shall, in accordance with the Quality Assurance manual provide, maintain and enforce all measures necessary to secure the quality of the materials and the manufacturing process thereof and such as quality control standards, inspection standards, specifications, etc. seller shall upon Buyer's request make available to Buyer such measures and the data records and other results of enforcement of such measures; and,
- iv) All materials and work in process at Seller's facilities may, upon prior notice be inspected by Buyer or its agent on the premises of Seller during normal business hours to monitor compliance with Buyer's quality assurance program.

**B) Services:**

Seller expressly warrants that all services covered by this order will conform to Buyer's specifications.

**PATENTS AND TRADE MARKS**

Seller warrants that the supplies ordered herein will not infringe any patents, trade marks, copyrights, industrial designs, Intellectual Property or process of manufacture by their scale or use alone or in combination according to Seller's own expense, upon demand of Buyer investigate and deal with every claim which may be made and defend every suit or action which may be brought

against Buyer or against those selling or using any product of Buyer for any alleged infringement or claim of infringement of any patent, trade mark, copyright, industrial design or process of manufacture by reasons, of the sale or use alone or in combination of such supplies, and will pay all costs, damages and expenses which Buyer may sustain by reason of such claim and/or suit or action. Any supplies bearing the Registered Trade Mark of Buyer returned, rejected or otherwise not accepted by Buyer shall not be sold or otherwise disposed of by Seller while still bearing the Registered Trade Mark of the Buyer.

Seller hereby grants Buyer a license to repair, rebuild, and relocate and to have repaired, rebuilt, and relocate the supplies purchased by Buyer under this Purchase Agreement / Order.

**TRIENNIAL PPAP REVALIDATION**

Unless otherwise specified, a complete three year (triennial) layout inspection, including all sub- components, is required for all parts. *All suppliers shall annually revalidate their respective production components, and be able to provide the results to The Narmco Group within 48 hours of the request.* Suppliers shall compile revalidations and document this requirement in the Production Control Plan for all parts supplied regardless of the product line/region. Those features/characteristics/notes that will be part of the revalidation package need to be designated such at the time of initial PPAP, but at a minimum shall also include a PSW and valid material certification report(s) not more than three years old, a full dimensional report, and a capability study for all print designated special characteristics.

**INSOLVENCY**

Buyer may immediately cancel this order without liability to Seller in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of involuntary of bankruptcy against Seller; (d) appointment of a receiver or trustee of Seller; (e) the commencement of any proceeding to wind up or cease operations; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment or assignment is not vacated or nullified within five (5) days of such event.

**CANADIAN VALUE ADDED**

Upon request, Seller shall furnish promptly "Certificate of Canadian Value Added" in accordance with Government regulations pertaining thereto. Seller agrees to indemnify Buyer and/or its customers against all loss resulting directly or indirectly from Seller's delay in completing and returning such certificate to Buyer and from incorrect information therein furnished by Seller.

**CHANGES**

Buyer may at any time, by written change order make changes in (1) the drawings, designs, and/or specifications applicable to the supplies and/or services covered by this Purchase Agreement / Order, (2) the method of shipment and packing, and/or (3) the place of delivery.

If any such changes affect the time for performance, the cost of manufacturing such supplies or the cost of furnishing such services, Buyer shall make an equitable adjustment in the purchase price or the delivery schedule, or both.

**MODIFICATION OF PURCHASE AGREEMENT / ORDER AND NON-ASSIGNMENT**

This Purchase Agreement / Order together with any written instructions issued hereunder, contains the complete and final agreement between Buyer and Seller and no agreement or other understanding in any way purporting to modify the terms and conditions there to shall be binding upon Buyer unless made in writing and signed by Buyer's authorized representative. Seller shall not delegate in any manner to any other person the performance of any work or the supplying of any services under this Purchase Agreement / Order. Seller may assign monies due under this Purchase Agreement / Order, provided, however, that Buyer shall be entitled to assert against the assignee thereof all rights, claims, and defences of every type (including, without limitation, rights of setoff, recoupment, and counter claim), which Buyer could assert against Seller, whether acquired prior or subsequent to such assignment.

**WAIVER OF LIEN RIGHTS**

Seller agrees to waive any lien rights or any other security or Purchase money interest in any product shipped to or service provided to the Buyer.

**BANK FEES AND BANK CHARGES**

The Narmco Group of companies will not be responsible for any banking fees associated with intermediary clearing houses in order to clear wire payments to the seller

**TERMINATION AT OPTION OF BUYER**

Performance of work under this Purchase Agreement / Order may be terminated by Buyer at its option, in whole or part, at any time by delivery, or by mailing, of a written notice of termination to Seller. Buyer shall have such right of termination notwithstanding the existence with respect to Seller of any of the causes or events specified in paragraphs (Excusable Delays) of this Purchase Agreement / Order.

After receipt of a notice of termination Seller shall, unless directed otherwise by Buyer, immediately terminate all work under this Purchase Agreement / Order and shall, unless otherwise directed by Buyer,

- (1) terminate all orders and subcontractors relating to the performance of the work terminated by the notice of termination;
- (2) settle all claims arising out of such termination of orders and subcontracts;
- (3) transfer title and deliver to Buyer
  - all completed work which conforms in quality to the requirements of this Purchase Agreement / Order and does not exceed, in quantity, the amount authorized for production by Buyer as evidenced by then current Shipping Releases, and
  - all reasonable quantities (but not in excess of amounts authorized by Buyer considered cumulatively with items covered by the completed work above) of work in process and materials, dunnage, expendables, packaging, etc. (at cost in accordance with Generally Accepted Accounting principles) produced or acquired in respect of the performance of the work terminated which are of a type and quality suitable for producing supplies which conform to the requirements of this Purchase Agreement / Order and which cannot reasonably be used by Seller in production supplies for itself or for its other customers;
- (4) take all action necessary to protect property in Seller's possession in which Buyer or the Buyer's customer has or may acquire an interest;
- (5) return to the Buyer all Bailed Assets (as defined in this document), and
- (6) submit to Buyer promptly, but not later than three months from the effective date of termination, its termination claim, provided that, in the event of failure of Seller to submit its termination claim within such period, Buyer may reject the termination claim in its entirety.

Upon the complete and satisfactory performance by the Seller of all of its obligations covered by paragraphs (1) through (5) above, Buyer shall pay to Seller

- a) the amounts due in paragraph (3) above; and
- b) after receipt and audit of a fully documented termination claim pursuant to



paragraph (6) immediately preceding, the Buyer will pay for any reasonable cash costs incurred and paid by Seller that are directly related to the termination of this Purchase Agreement / Order. Under no circumstances will the Buyer pay for any projected or estimated costs, including any allowance for lost profits or income; nor shall the Buyer pay for any costs that are not directly related to this Purchase Agreement / Order, including any cost or damages incurred by the Seller from third parties and subcontractors.

The provisions of this Paragraph shall not apply if this Purchase Agreement / Order is terminated by Buyer for the default of Seller pursuant to Paragraph (Termination for Default of Seller) hereof.

**TERMINATION FOR DEFAULT OF SELLER**

If Seller refuses or fails to make deliveries of the supplies called for in this Purchase Agreement / Order within the time specified in the Purchase Agreement / Order or in any Shipping Release issued to Seller, or if Seller (1) fails to perform any other provisions of this Purchase Agreement / Order, or (2) fails to make progress as to endanger performance of this order in accordance with its terms, and in either of the circumstances enumerated in (1) or (2) does not cure such failure within a period of ten days after receipt of notice from Buyer specifying such failure, Buyer, subject to the provisions of Paragraph (Excusable Delays) of this Purchase Agreement / Order, may, by delivery, or by mailing, of a written notice of termination to Seller, terminate this Purchase Agreement / Order, in whole or in part.

Buyer reserves the right to terminate all or any part of this order, without liability to Seller, if Seller; (a) repudiates or breaches any of the terms of this order including Seller’s warranties; (b) fails to perform services or deliver goods as specified by Buyer; or (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within ten (10) days or such shorter period of time if commercially reasonable under the circumstances} after receipt of written notice from buyer specifying such failure or breach.

**REMEDIES**

The rights and remedies reserved to Buyer in this Agreement shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any Products fail to conform to the warranties set forth in this agreement, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any damages, including incidental and consequential damages, caused by such nonconforming Products, including but not limited to costs, expenses and losses incurred by Buyer in: (a) inspecting, sorting, repairing or replacing such nonconforming Products; (b) resulting from production

interruptions; (c) conducting recall campaigns or other corrective service actions; and (d) claims for personal injury (including death) or property damage caused by such conforming Products. Seller shall enter into a separate agreement for the administration or processing of warranty charge-backs for nonconforming Products if requested by Buyer.

No waiver of any breach of any provision of this Purchase Agreement / Order shall constitute a waiver of any other breach of such provision or breach of any other provision.

**CHANGE IN CONTROL**

Unless the Seller is a Public company under the meaning of the Securities Laws of the jurisdiction in which Seller operates, Seller shall advise the Buyer in writing of any change in the voting control of the Seller.

**FINANCIAL STABILITY**

If requested by the Buyer acting reasonably, Seller shall provide independent confirmatory and customary information to allow the Buyer to determine the financial stability of the Seller, including independently verified Financial Statements and bank references.

**CREDIT**

Barring a non-remedied material breach of this Agreement by the Buyer, the Seller hereby agrees to provide credit on open account basis to the Buyer at an amount equal no less than the sum of all Open Transactions. Open Transactions shall mean the sum of all valid but not due and payable invoices rendered by the Seller under the terms of and related to this Purchase Agreement / Order.

**WAIVER**

Failure by either party to require performance of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or of any other term, covenant or condition herein contained. No covenant, term or condition of this Lease shall be deemed to have been waived by the Buyer, unless such waiver is in writing by the Buyer.

**BAILED ASSETS**

Seller acknowledges and agrees that all raw materials, parts, supplies, materials, drawings, facilities, tools, jigs, dies, fixtures, patterns, containers, dunnage, expendables, and any other assets or equipment of any nature or description furnished to Seller by Buyer to perform this Purchase Agreement / Order shall remain the property of Buyer or the Buyer's customer. Seller also acknowledges and agrees that the only interest that the Seller has in these assets is as a Bailee, specifically waives any Lien or ownership rights therein.

Seller shall bear the risk of loss of and damage to such property, normal wear and tear excepted. Such property shall at all times:

- be properly housed and maintained by Seller;
- be identified as Buyer's or Buyer's customer's property by Seller;
- be fully insured by Seller at Seller's cost;
- not be commingled with the property of Seller or with that of a third person;
- not be moved from Seller's premises without Buyer's prior written approval; and
- upon request of Buyer, be immediately delivered to Buyer by Seller without payment or claim

Buyer shall have the right to enter onto Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto.

If requested by Buyer, Seller agrees to execute a document documenting this Bailment Agreement.

**WORKPLACE SAFETY**

Seller agrees and represents to Buyer that Seller is compliant with all laws, regulations, orders and Seller's own policies regarding workplace safety. Furthermore, Seller agrees to indemnify and hold Buyer harmless against any claim, damages or action regarding workplace safety in relation to any performance by Seller under this Purchase Agreement / Order.

If Seller is required by the terms of this Purchase Agreement / Order to perform, or does perform, may work on Buyer's premises, Seller agrees that Seller shall be responsible for any damages or injuries to persons or property, including Buyer's employees, in connection with the performance of such work, and that Seller shall save harmless and indemnify Buyer from and against any liability for such damages or injuries. Before commencing such work, Seller shall furnish to Buyer's certificate of insurance showing that Seller carries adequate public liability and property damage insurance with insurers and in amounts acceptable to Buyer and Worker's Compensation Insurance (or evidence of authority to self-insure) that is customary in the geographic area of operations of the Seller. The failure by Seller to furnish to Buyer, or the failure by Seller to obtain, such a certificate of insurance will not constitute a waiver of the requirement for such certificate or of any other provisions of this Purchase Agreement / Order.

**LANGUAGE CONFLICT / TRANSLATIONS**

In the event that any other document between the Seller and Buyer (other than the Purchase Agreement / Order) contains language that is inconsistent with these Standard Terms and Conditions, the language herein shall prevail, unless specifically stated otherwise herein.

Furthermore, this document prepared in English shall prevail in the event of any conflict with any translation of this document into another language.

**LABOR DISRUPTIONS**

Seller agrees to advise the Buyer of any threatened or actual labour disruption that could affect the performance of the Seller under the Purchase Agreement / Order. Furthermore, within ninety (90) days of the expiry of any collective Agreement with its employees, Seller shall provide buyer with a contingency plan for supply in the event of a labour disruption.

**SPECIFIC SELLER SHIPPING INSTRUCTIONS**

Seller agrees to maintain “lot traceability” in the same manner as required by the Buyer by its customers and to number all Boxes, Cartons, Bundles, Containers, etc. consecutively, and reference such information on Bills of Lading, Packing Slips, Customs and Settlement Invoices. One copy of the Packing Slip, plainly marked "PACKING SLIP" should be included with each shipment.

Seller shall provide a Certificate of Origin in a format acceptable under the North American Free Trade Agreement for all items or service provided under the Purchase Agreement / Order.

Seller must notify buyer of any anticipated delivery issues.

**NON-CANADIAN SELLERS CLEARANCE PROCEDURE:**

**BILLS OF LADING OR EXPRESS RECEIPTS** - Must be signed by carrier and dated. When invoices accompany shipment, mail original Bills of Lading or Express Receipts to Traffic Department of payment area.

**INVOICES** - Show full details such as Purchase Agreement / Order number, quantity, symbol number, price, material classification, etc.. Cash discounts must not be deducted from invoices.

**CANADIAN CUSTOMS FORMS:** Six copies of Canadian Customs Invoice (Form M.A.) must be used. Include freight charges or allowances. No separate Settlement Invoices are required. If no price has been set on our Purchase Agreement / Order, e.g. "Price to be agreed upon before billing", show the prices as "Provisional".

**U.S. EXPORT CLEARANCE FORMS** (where applicable): Two copies of U.S. Customs Form No. 7525V "Shipper Export Declaration" are required. The U.S. commodity classification must be shown. **PACKING SLIP** - One copy of the Packing Slip, plainly marked "PACKING SLIP" should be included with such shipment.

**PREP.INTO SETS** - Make up forms into separate sets as below, enclosing each set in separate envelope, marked as noted: ENVELOPE MARKING CONTAINS

- U.S. Customs - Two copies of U.S. Customs Form No. 7525V

- Canadian Customs Invoices - Six copies of Form M.A. Canadian Customs Invoice
- Packing Slips - One copy of Packing Slip or equivalent document

**TRANSMISSION**

HIGHWAY TRANSPORT - (Truckload, L.T.L. Detroit or other pool operation)(cleared at U.S.- Canadian Border) give three envelopes to pick up driver noting on envelopes to leave:

- (a) "U.S. Customs" with U.S. Customs;
- (b) "Canadian Customs Invoices" with the Buyer's Customs Department at Windsor (wherever clearance is to take place) or with the Buyer's Customs broker at other border points, and;
- (c) to bring "Packing Slips" through to receiving area with the material.

RAIL- (Freight Carload, less than carload, express, or mail) handle three envelopes as follows:

- (a) U.S. Customs to accompany shipment to outboard clearance point (to be given to rail representative along with rail documents).
- (b) "Packing Slip" to be attached inside car near door, (for carload), or enclosed inside individual package marked "contain, Packing Slips" (For L.C.L. and express shipments).

AIR - (or mixed air highway transport etc.)(cleared at Canadian airport of entry or at U.S.-Canadian Border if final routing is via truck). Fasten all three envelopes marked as noted to exterior of package.

**SAMPLE APPROVAL PROCEDURE**

- Samples must be submitted off finished production Tools; Samples should be free of charge
- A piece sample lot is required for sample submission plus buyoff run at our plant at the appropriate run at rate.
- A fully layed-out sample must be submitted to the NARMCO Product Engineering Inspection Department using Inspection Sample for # NA-001. Part approval will be given on this form.
- It is mutually understood that if supplier doesn't comply with the sample procedure then the purchaser will layout the samples. Cost of this work will be deducted from the purchase price at standard company charge.
- Invoices, when submitted must include a copy of: (1) Sample Approval Form NA-001 that has been approved by our firm, (2) die co-ordination sign-off sheet NA-002, plus NA-003 die installation sheet that has been approved by engineering, for invoice to be acknowledged and to receive prompt payment.

**CONDITIONS**

- Your total tool charge quotation as submitted will be the only charge applicable toolage unless otherwise noted.
- Sample and tryout material is to be supplied from production material by the purchaser for a maximum set of blanks in order to cover the requirements of the Buyer and Customer Buy off procedures. Supplier then purchases from NARMCO any additional requirements.
- Our Standard Purchase Agreement / Order Rider will become part of any order resulting from a tool quotation

**STANDARD REQUIREMENTS FOR TOOLING DESIGN, BUILD AND SAFETY**

Upon receipt of Purchase Agreement / Order, a separate sketch must be made on all dies and process and submitted to our engineering department for review and approval in writing **prior** to finalized die design and construction. This drawing must show a section and plan views indicating the following.

- |                                  |   |                                |
|----------------------------------|---|--------------------------------|
| 1. Shut height                   | 4. Air Pin location                     | 7. Loading / unloading heights |
| 2. Die build-up (if any)         | 5. Scrap shedding                       | 8. Safety pad / lifting area   |
| 3. Fastening & die locating pins | 6. Part flow                            | 9. Automation                  |
| 10. Progress dies strip layout.  | 11. List of maintenance and spare parts |                                |

**DIE DESIGNS**

All tooling designs must be submitted to Buyer’s engineering department for review prior to construction with a copy for our files. Tool vendor is responsible for insuring proper dies operation and sample parts. Upon payment designs become property of Buyer. Our acceptance of designs does not in any way alleviate vendor of full responsibility for function, performance and dependability of dies. Before starting blank die designs or progressive die designs, a developed material size must be established by tryout and a strip layout must be submitted to our engineering department for approval.

**DIE CONSTRUCTION STANDARDS AND SPECIFICATIONS**

All tooling will be built to the grade level and production specifications, volumes, fit to mating parts, etc. as indicated on front of quotation. These are the minimum die construction standards and specifications acceptable to our firm as described in our Purchase Agreement / Order Rider and will become part of any order resulting from a tool quotation. All dies will be checked for adherence to these standards by our Die Co-ordination sheet, which is to be submitted by the Vendor prior to samples.

**FIXTURE / SPECIAL MACHINE DESIGNS**

All fixture and special machine designs must be submitted to Buyer’s engineering department for review and approval prior to construction with a copy for our files. Tool supplier is responsible for insuring fixture operation and sample parts. Upon payment, designs become property of Buyer. Our acceptance of designs does not in any way alleviate supplier of full responsibility for function, performance and dependability of fixtures or machinery. Before starting designs a layout must be submitted to Buyer’s engineering department for approval. All fixtures and special machines must be built to our minimum construction standards.

**TOOL / PROGRAM COSTS**

This Purchase Agreement / Order is issued on the understanding that seller will complete the tooling and submit acceptable production samples not later than the date stated in the Purchase Agreement / Order. The NARMCO Group reserves the right to audit Seller’s tooling charges, which shall be based on actual cost. It will be necessary for seller, or any subcontractor whom the Seller may be using , to maintain accurate records consisting of, but not limited to, such documents as employee clock records, time tickets, job summaries, payroll records Purchase Agreement / Orders, vendor invoices, and material requisitions. These records must be maintained irrespective of billing by the subcontractor(s), which cannot be accepted automatically by The NARMCO Group as evidence of actual cost.

All tooling, fixtures, proto-types, special machines, assembly equipment and services must be clearly documented as per the above mentioned paragraph. All costs relating to the items specified in detail upon this Purchase Agreement / Order shall be used in collecting the related costs to a program. These costs must be shown along with timelines as to the status of all items relating to the Purchase Agreement / Order to any payment for work that has been cancelled due to customer demands. These costs shall only be relayed with complete agreement and understanding between all parties involved. This includes the End customer, The NARMCO Group and the Buyer of this Purchase Agreement / Order.

**TOOLING, FIXTURE AND SPECIAL MACHINE PRODUCTION STANDARDS**

All tooling must be designed to support production requirements, run rates, etc. as indicated in the Purchase Agreement / Order in as efficient manner as possible. As a condition precedent to approval by the Buyer, Seller shall demonstrate confirmation of adherence to production standards by tryout in the Buyer’s facility for sixteen (16) continuous hours of uninterrupted and defect free testing at prescribed run rates. Any interruption during the tryout will require a re-start of the tryout, unless specifically directed otherwise by the Buyer in writing.

**SAFETY**

Tooling must be designed for safe operation by tool operator and maintenance personnel.

**CUSTOMER SPECIFIC REQUIREMENTS**

Suppliers to Narmco are required to follow all customer specific requirements. These requirements will be provided by Narmco.

**ADVERTISING**

Seller shall not, without first obtaining the written consent of Buyer, in any manner advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services herein ordered, or use any trademarks or trade names of Buyer in Seller's advertising or promotional materials. In the event of Seller's breach of this provision Buyer shall have the right to cancel the undelivered portion of any goods or services covered by this order and shall not be required to make further payments except for conforming goods delivered or services rendered prior to cancellation.

**SETOFF**

In addition to any right of setoff provided by law, all amounts due Seller shall be considered net of indebtedness of Seller to any member entity of The NARMCO Group of Companies; and The NARMCO Group may deduct any amounts due or to become due from Seller to any member entity of The NARMCO Group of Companies from any sums due or to become due to the Seller from any member entity of The NARMCO Group of Companies.

**GOVERNMENT COMPLIANCE**

Seller agrees to comply with all federal and provincial laws, Executive Orders, rules regulations and ordinances, which may be applicable to Seller's performance of its obligations under this order.

**STATUTORY AND REGULATORY REQUIREMENTS**

The organization shall document their process to ensure that purchased products, processes and services conform to the current applicable statutory and regulatory requirements in the country of receipt, the country of shipment, and the customer-identified country of destination, if provided. If the customer defines special controls for certain products with statutory and regulatory requirements, the organization shall ensure they are implemented and maintained as defined, including at suppliers.



**NON-ASSIGNMENT**

Seller may not assign or delegate its obligations under this order without Buyer’s prior written consent.

**CONFIDENTIAL INFORMATION**

Neither party may disclose to a third party other than to a person or entity affiliated with the manufacturer of the products covered by this order, any confidential information on business or technology of the other party obtained in connection with transactions under this order without the prior written consent of the other party. If a third party receives confidential information hereunder, Seller shall ensure it abides by this provision. All drawings, specifications, data or other technical information (“Technical Information”) furnished by Buyer are confidential and proprietary to Buyer and shall be held by Seller as a bailment. Upon Buyers request, Seller shall, at its expense return the Technical Information to the Buyer.

Seller agrees that the Buyer retains the ownership and to right to any credit under the Scientific Research and Development Credits (“SRED”) program currently available under Canadian Tax law for any aspect, performance or execution under the Purchase Agreement / Order by the Seller.

Seller shall not manufacture for or supply to any third party any products, parts materials, or similar items without Buyers prior written consent using information obtained in any way with the Technical Information of the Buyer.

The provisions of this agreement are in addition to and do not supersede or merge with the terms of any confidentiality or similar agreement signed by the parties, each of which will remain in full force and effect for the period stated therein, but for at least two years beyond the last date that Goods or services are provided by Seller to Buyer under this Agreement. Seller shall not advertise or publish the fact that the Seller has contracted to furnish Buyer the Goods herein ordered, or use any trademarks or trade names of Buyer in Seller’s advertising or promotional materials without Buyer’s consent.

**SAFETY & SECURITY**

Seller, its employees, agents, representatives or subcontractors shall abide by all of Buyer’s safety and security rules and regulations while on Buyer’s premises.

**SERVICE PARTS**

Seller agrees to meet Buyer’s or its successor’s Service Part requirements for (10) ten years or any longer period required by law following the final production of each part or component by Seller.

**SURVIVAL.**

All provisions which by their nature extend beyond the termination or expiration of this Agreement shall remain in effect beyond any termination or expiration.

**NON-EXCLUSIVE AGREEMENT.**

This is not an exclusive agreement. Buyer is free to engage others to perform Services or provide Products the same as or similar to Seller's.

**TIME OF THE ESSENCE**

Time is of the essence with respect to all aspects of the Purchase Agreement / Order and the Standard Terms and Conditions.

**SUCCESSORS AND ASSIGNS**

The Purchase Agreement / Order and these Standard Terms and Conditions shall be binding on the Seller and its Assignees, Trustees, Administrators, Attorneys, Debtors in Possession, Agents, and all other successors.

**SUSTAINABILITY:**

The NARMCO Group believes in the importance of social responsibility and encourages all suppliers to take an active part in our sustainability initiative. The initiative is based upon fundamental principles striving to shape globalization in a more social and ecological manner. Furthermore, we believe that this initiative encourages suppliers to work together in the prevention of corruption.

At NARMCO, all suppliers are obligated to comply with our [Sustainability Guiding Principles](#) which are based upon the United Nations Global Compact addressing issues related to the subject areas of Business Ethics, the Environment, Human Rights and Labour, Health and Safety, and Supply Chain Management.

**PRICE CHANGE:**

Any attempt by the Seller to increase prices during the production life of the part, plus six years of service afterward, will be rejected with the exception of all contracts that are negotiated with Narmco Group for a specific time period

**INFORMATION AND CYBER SECURITY:**

The SUPPLIER is obligated to keep all information disclosed by Narmco Group strictly confidential and to treat them as business and trade secret and to ensure that third parties will not have access to such information.

SUPPLIER expressly warrants that it will implement and maintain appropriate technical and organizational measures and other protections for the proper security of all information or data belonging to Narmco (including, without limitation, not loading any confidential information provided by Narmco Group to the SUPPLIER on (a) any laptop or (b) any portable storage media that can be removed from SUPPLIER’s premises unless in each case such data has been encrypted and such data is loaded onto the portable storage media solely for the purpose of moving such data to off-site storage.

Narmco shall have the right, depending on the nature and the need for protection of the data in connection with the manufacturing and delivery of the product, to demand adequate safeguards and proof of an appropriate level of information security within the SUPPLIER's business as required by the OEM, in particular by providing appropriate certificates (e.g. ISO/IEC27001 "Information technology – Security techniques – Information security management systems – Requirements") or certification according to the VDA model TISAX (Trusted Information Security Assessment Exchange).

Narmco and the SUPPLIER may agree on an appropriate time frame for the initial certification of a site under TISAX.

**GOVERNING LAW:**

All matters concerning the Standard Terms and Conditions and the Purchase Agreement / Order will be interpreted with reference to the laws of Ontario, Canada. In the event that any dispute results in litigation, the Seller waives any right to a trial by jury.

**Revision History**

<b>E-Revision #</b>	<b>Date</b>	<b>Revision Description</b>
09	08/21	CPM 13.05 NARMCO Standard Terms and Conditions added to Corporate Policy Manual.
10	02/23	Update Sustainability