

Freeway Washer Limited
1820 Meyerside Drive, Mississauga, Ontario, Canada L5T 1B4

Purchase Order Terms and Conditions

1. **Acceptance or Acknowledgement.** This order becomes a contract when the purchaser receives an acceptance thereof or upon the seller making shipment of the goods ordered hereunder. The term goods or products in these terms and conditions shall be understood to include materials, components, labour, services, and facilities. The seller by communicating its acceptance to the purchaser or by shipment aforesaid, shall be deemed to understand and agrees that the terms and conditions herein shall bind both parties and that any terms or conditions contained in the acceptance or otherwise stipulated shall be deemed to be null and void and of no effect and the seller further agrees that notwithstanding its acceptance is of later date, the terms and conditions of this order shall govern the order. The order constituted as herein before provided contains the entire agreement between the parties and no other terms and conditions, whether oral or written and whether precedent or subsequent in time, shall have any force or effect and failure of either party to enforce its rights hereunder shall not constitute a waiver of such rights or any rights hereunder. The seller also agrees to price and delivery as contained in this order.
2. **Substitutions and Change.** No Substitutions or changes will be accepted unless authorized by the purchaser.
3. **Cancellation.** The purchaser reserves the right to cancel this order if shipment is not made in quantities and at prices and delivery as agreed.
4. **Tools.** Where the price includes the cost of tools or jigs these shall become property of the purchaser and be dealt with as the purchaser may direct.
5. **Seller's Quotation.** Reference in this order to seller's quotation does not imply acceptance of any terms and conditions in such quotation unless they are expressly adopted herein. Any terms and conditions in such quotation which are inconsistent with the terms and conditions contained in this order shall be deemed to be null and void and of no effect.
6. **Inspection.** The purchaser shall have free access, at all reasonable times, to the premises of both the seller and its subcontractors to review the progress of the work and to ensure the goods are being furnished in accordance with this order and, except as otherwise agreed in writing, all shipments shall be subject to final inspection by purchaser after receipt by purchaser at destination. No intermediate or final inspection by the purchaser shall in any way derogate from the obligations of the seller hereunder.

7. **Warranty.** The seller warrants and represents to the purchaser, and to any person claiming by or through the purchaser, which warranties and representations will survive the acceptance, use or subsequent sale of the products by the purchaser, that the products supplied and purchased under this agreement shall (i) be free from defects in design, materials, and workmanship, (ii) conform to the specifications and samples accepted by the purchaser and shall be of at least the same level of quality of such samples, and (iii) be merchantable and fit for the particular purpose for which required by the purchaser. If any product in breach of the foregoing warranty, the seller shall, at the option of the purchaser, either repair the product at seller's sole cost and expense, replace the product at seller's sole cost and expense, reimburse the purchaser for the costs and expenses incurred by the purchaser in repairing or replacing the product, or accept the return of the product and grant the purchaser a credit in the amount of the purchase price thereof. Seller shall reimburse the purchaser for all costs and expenses incurred in connection with such breach, including all transportation, packaging and handling costs in connection with the repair or replacement of the breaching products.
8. **Product Liability Claims.** The seller shall indemnify, defend and hold harmless the purchaser and any other person selling or using the products from and against all claims, liabilities, damages, losses, costs and expenses (including reasonable attorneys' fees) arising from or in connection with any injury to persons, including death, or damage to property alleged to have been caused by any malfunction of, or defect in, any product or as a result of any act or omission of the seller, its employees, agents or subcontractors.
9. **Insurance.** The seller shall maintain in full force and effect during the terms of this agreement adequate product liability insurance protecting the seller and the purchaser from claims and liability from injury, death or property damage which arises out of or relates to the use or application of the products. In addition, during such period of time in which the seller possess, handles or uses tools (as defined in this agreement), the seller shall maintain comprehensive general public liability and property damage insurance protecting the seller and the purchaser from claims and liability for injury, death or property damage which arises out of or relates to the possession, handling or use of the tools. The seller shall promptly furnish purchaser with a certificate of insurance showing the purchaser as an additional insured under such insurance and stating that the issuer shall not cancel such insurance without providing a minimum of 30 (thirty) days prior written notice to the purchaser. The seller shall furnish additional certificates of insurance to the purchaser on an annual basis during the term of the agreement.
10. **Safety and Product Compliance.** The seller agrees to provide Material Data Safety Sheets on all incoming chemicals and hazardous material for each shipment to the purchaser. The seller agrees that all goods and services provided to the purchaser shall comply with all applicable provincial, federal, occupational health and safety standards, codes, and regulations as prescribed by law or the purchaser's requirements. The seller shall provide certificate of compliance with applicable material, product quality testing and performance standards as requested by the purchaser.
11. **Compliance with Laws.** Seller shall observe and comply with the purchaser's safety rules and all statutes, regulations and by-laws of any federal, provincial or municipal authority which may in

any way effect this order and any contract following thereupon. This order and any contract following thereupon shall be governed by and construed according to the laws of the Province where the purchaser's office issuing the order is located and the Courts of such Province shall have sole jurisdiction.

12. **Title and Risk of Loss.** Title to and all risk of loss of, or damage to the goods shall remain with the seller until they have been off-loaded at the required destination point whereupon same shall to the purchaser.

13. **Proprietary Rights.** The seller understands and agrees that the purchaser's designs and manufacturing information, and any other proprietary information of the purchaser, shall not be disclosed by the seller, or used otherwise than as may be strictly required in accordance with this order.