



## PURCHASE ORDER TERMS AND CONDITIONS

This Purchase Order includes and is subject to the following covenants, terms and conditions.

### 1. DEFINITIONS:

“**Buyer**” means PCI

“**Seller**” means the business entity to which this Order is addressed.

“**Order**” means the purchase order, including the terms and conditions and all specifications, quality requirements and drawings referenced.

“**Products**” means any goods or services that are the subject of this Order.

### 2. AGREEMENT AND ACCEPTANCE:

Each purchase order and purchase order revision (“this Order”) issued by Buyer is an offer to Seller for the purchase of goods and/or services. Acceptance of this order, whether oral or written, is based on the express condition that the Seller agrees to all the terms and conditions herein. The term “goods” includes, but is not limited to materials, components and services. By returning this acceptance to the Buyer, or by shipment of goods, shall be deemed to understand and agree that the terms and conditions herein shall bind both parties.

### 3. PRICE.

This order shall not be executed at prices higher than those specified on the purchase order, unless otherwise agreed to in writing by the Buyer. Seller must notify Buyer in writing of any price discrepancies within seven (7) days. The price specified on this order includes all subcontracting costs associated with this order. Buyer shall have no responsibility for any increased costs incurred by Seller in connection with any material procured, labour or subcontractors, unless such additional costs shall have been negotiated and agreed to in writing by Buyer.

The prices specified on this order exclude all federal, provincial and local taxes, domestic or foreign, that Seller is required by law to collect from Buyer and from which Seller cannot obtain an exemption. Such taxes shall be separately stated on Seller’s invoices and shall be paid by Buyer, unless an exemption is available. Seller shall provide Buyer with appropriate evidence of the payment thereof to the Governmental/Regulatory authority, if so, requested by the Buyer.

- Unless otherwise agreed to in writing by the Buyer, the price specified on this order includes all charges for packing, cartage, storage, drayage, and transportation to the EXW point.

Seller warrants that the prices will comply with applicable government law and regulations. Buyer shall, in no event, be responsible for any liability that may become due on account of any alleged non-payment of any or all taxes, levies, duties, assessment, deduction, penalties or interest thereon.

### 4. TERM OF PAYMENT.

Terms of payment are specified on the quotation; Net 30 Days is applicable if no terms are specified.

### 5. DELIVERY.

Time is of the essence for this Order. Products shall be delivered on the date specified on the Order. Seller shall notify Buyer immediately if there is any projected or actual delay in the delivery of Products. In the event of delay in delivery or services, the Buyer may terminate the Order and hold the Seller responsible for any damages.

### 6. SHIPMENT.

All Products shall be suitably prepared and packed for shipment in suitable containers in accordance with sound commercial practices to ensure that Products are delivered in an undamaged condition, and Seller shall mark the number of this Order and Product quantity on each container and enclose an itemized packing slip with such number in each container. If Seller fails to enclose an itemized packing slip in each container, Buyer’s determination of count or weight shall be conclusive. The Seller must transport all hazardous goods in accordance with all relevant Federal and Provincial legislation governing the handling and transportation of all hazardous and dangerous products. Seller must submit a material safety data sheet (“MSDS”) prior to shipping hazardous material (e.g., chemical, solvents).



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- 7. QUALITY ASSURANCE REQUIREMENTS.** As a Supplier to PCI, it is understood that your organization agrees to meet consistent quality control inspection and testing as needed to assure that goods and or services will consistently conform to specified requirements in accordance with *PCI Supplier Quality Requirements Manual*.
- 8. INSPECTION:** Except as otherwise agreed in writing, all shipments shall be subject to final inspection by Buyer after receipt at destination. Delivery to the Buy is not to be an acceptance unless inspected and approved by Buyer.
- 9. REJECTION & NONCONFORMING PRODUCT.**  
PCI Receiving: If any of the goods are found to be defective in material, workmanship, quality, quantity or not in strict conformity with the specifications or requirements of the Order, the Buyer shall have the right to reject and return the goods for full credit.  
Supplier Receiving: Any non-conformance that is identified at receiving inspection should be tagged and returned to PCI. Supplier must notify PCI of non-conforming product and arrangements for PCI approval of supplier non-conforming material.
- 10.** All purchasing requirements shall be flowed down to sub-tier suppliers or subcontractors.
- 11. CHANGES.** Buyer may at any time, by a written order, make changes in the drawings, designs and specifications of the Products or otherwise change the scope of work covered by this Order, including work with respect to such matters as drawings, designs, specifications, inspection, testing or quality control, the method of packing and shipping, the place of delivery, shipping instructions, and quantity or delivery schedules. Seller agrees to promptly make such changes. If such changes affect the cost or time required for performance, and if Seller makes claim for adjustment in writing within seven (7) days of receipt of notification of change, an equitable adjustment shall be made by the parties, and this Order shall be modified accordingly. Otherwise, such claim for equitable adjustment is waived and the Order shall be deemed as modified. Seller shall diligently continue performance of Order, as changed, pending agreement on the amount of an equitable adjustment. Nothing contained in this Order shall relieve or excuse Seller from proceeding without delay in performing this Order as changed. Seller shall not make any change in design, processing, packing, shipping, or place of delivery without Buyer's prior written approval.
- 12. PROPRIETARY INFORMATION.** All technical data or information communicated by Buyer to Seller in connection with this Order is considered commercial-on-confidence and proprietary to Buyer, and the data and information shall be used only in performance of the Order and shall not be disclosed to third parties.
- 13. COMPLIANCE WITH LAWS.** General: Seller shall comply fully with all applicable laws and regulations in the performance of this Order including without limitation all applicable import or export laws and regulations. Seller will otherwise comply in any and all respects with all applicable laws, ordinances, rules and regulations and other legal requirements that apply to this Order.  
Customs: Seller will promptly provide Buyer with a statement of origin for all Products.  
Seller will at all times refrain from engaging in any illegal, unfair or deceptive trade practices or unethical business practices. Seller shall at its expense obtain any and all permits, licenses, authorizations, and/or certificates that may be required in any jurisdiction or by any regulatory or administrative agency in connection with its activities hereunder. Seller shall adhere to Buyer's rules and policies and disseminate current information and materials as announced or provided from time to time by Buyer to Seller.
- 14. GOVERNING PROVISION.** This Order shall be governed and construed in accordance with the internal laws of the Province of Ontario (Canada).

Supplier agrees with the terms on (Date) \_\_\_\_\_

Approved by \_\_\_\_\_