

## STANDARD PURCHASE ORDER TERMS AND CONDITIONS

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### CLAUSE 1 – DEFINITIONS

The following definitions apply unless otherwise specifically stated :

“Article (s)” :	Good (s) and service (s) described in this Order;
“Buyer” :	The legal entity issuing this Order, PLACETECO INC.;
“Manufacturing Materials”:	Supplies, materials, samples, tooling, dies, jig, fixtures, plans, designs, specifications, software, drawings, technical information, and contract rights;
“Order” :	Purchase Order, Change Order, Subcontract, or Contract for the Articles;
“Seller” :	Person or Company providing the Products or Services.

### CLAUSE 2 – ORDERS/CHANGE ORDERS

These Terms and Conditions shall be part of each Order Buyer may issue to Seller. Each order shall contain a description of the Articles and identify the specifications, drawings, quantities, prices, delivery schedule, terms, and place of delivery. EACH SUCH ORDER OR CHANGE TO SUCH ORDER MUST BE SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER’S AUTHORIZED PROCUREMENT REPRESENTATIVE TO BE VALID.

### CLAUSE 3 – AGREEMENT ACCEPTANCE/ MODIFICATIONS

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An Order is Buyer's offer to Seller and acceptance is expressly limited to its terms without additions, deletions, or other modifications. Seller's commencement of performance, delivery of any Articles or acknowledgement of the Order shall conclusively evidence such acceptance.

NO CHANGE OR MODIFICATION TO THIS ORDER (INCLUDING ANY ADDITIONAL OR DIFFERENT TERMS IN SELLER'S ACCEPTANCE) SHALL BE BINDING ON BUYER UNLESS SIGNED (OR AUTHENTICATED IF THIS IS AN ELECTRONIC ORDER) BY BUYER'S AUTHORIZED PROCUREMENT REPRESENTATIVE.

### **CLAUSE 4 – CHANGES**

- (A) Buyer may by written notice make changes within the general scope of this Order in any one or more of the following :
- i. Drawings, designs or specifications;
  - ii. Method of shipment or packaging;
  - iii. Place of inspection, delivery or acceptance;
  - iv. Amount of Buyer – furnished Manufacturing Materials;
  - v. Quantity.
- (B) Seller shall proceed immediately to perform this Order as changed. If any such change causes a material increase or decrease in the cost of, or the time required for the performance of any part of the work in this Order, Buyer and Seller will agree upon an equitable adjustment in the purchase price or delivery schedule or both.

### **CLAUSE 5 – STOP WORK**

- (A) When directed by written notice from Buyer, Seller shall immediately stop all or part of the work relating to this Order to the extent specified in the notice for a period of up to one hundred-eighty (180) calendar days or longer if extended by mutual agreement.
- (B) If a Stop Work notice is cancelled or the period of the Stop Work notice, or any agreed extension thereof expires, Seller shall resume work and Buyer and Seller will agree upon a reasonable adjustment in the delivery schedule. In no event shall such adjustment exceed the period of time during which the Stop Work notice was in effect. Except as otherwise provided herein, no adjustment in the total Order price will be incurred by issuance of a Stop Work notice.

### **CLAUSE 6 – TERMINATION FOR CONVENIENCE**

- (A) Notwithstanding any other provisions of this Order, the Buyer may by written notice terminate for its convenience the whole or any part of this Order. Upon receipt of such notice, the Seller shall immediately cease work, including but not limited to the manufacture and procurement of materials for the fulfilment of the terminated portion of this Order.
- (B) In the event of termination pursuant to paragraph (A) above, Buyer and Seller will agree upon an adjustment of the Order price, provided that :
- i. Such adjustment shall not exceed the Order total price;
  - ii. Seller's written intent to file a claim for adjustment is received within twenty-one (21) calendar days from the effective date of termination;
  - iii. Seller's final claim is received within ninety (90) calendar days from the date that intent to claim is filed. Seller shall have no other remedies after this period.

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- (C) If this Order is terminated pursuant to paragraph (A) above, the Buyer may require the Seller to transfer the title and deliver as directed by the Buyer, any (i) completed Articles, and (ii) Manufacturing Materials that the Seller and its subcontractors have specifically produced or acquired for the portion of this Order subject to notice to Termination for Convenience. Upon direction of the Buyer, the Seller shall also protect and preserve property in its possession in which Buyer has an interest.

**CLAUSE 7 – JUSTIFIABLE DELAY**

- (A) A delay in the performance by the Seller of any obligations under this Order which of caused by an event which :
- i. Is an act of God, act of government, fire, riot, war, or any other event which constitutes a superior force and is beyond the reasonable control of the Seller, and without any fault on the part of the Seller, and
  - ii. interferes with the performance of Seller's obligations, and
  - iii. the effects of which could not reasonably been avoided by the Seller shall, subject to the provisions of this clause, constitute an Excusable Delay.

**CLAUSE 8 – BUYER-FURNISHED MANUFACTURING MATERIALS**

- (A) Except as otherwise provided herein, Seller shall not use, reproduce, or disclose for the benefit of any party other than Buyer, any Manufacturing Materials furnished by Buyer. Seller shall not use the Manufacturing Materials to produce or manufacture Articles, other than those required by this Order, without prior written authorization from Buyer.
- (B) Title to Manufacturing Materials furnished by Buyer shall be and remain with Buyer at all times. Seller shall bear the risk of loss, damage or destruction of the Manufacturing Materials furnished by Buyer and shall promptly replace or repair without expense to Buyer any of the Manufacturing Materials which are lost, damaged or destroyed, unless such loss, damage or destruction is solely and directly caused by Buyer's negligence.
- (C) Seller shall be responsible for care, maintenance, use and records of Buyer Furnished Manufacturing Materials. Physical inventories will be performed as required by buyer.
- (D) All Buyer-furnished Manufacturing Materials, together with spoiled and surplus materials and Articles, shall be returned to Buyer upon termination or completion of this Order unless Buyer shall direct otherwise writing. When buyer approves Manufacturing Materials to be furnished to Seller's subcontractors for procurement of Articles by Seller for use in the performance of Buyer's order, Seller shall insert the substance of this clause in its subcontracts.
- (E) Seller acknowledges that Buyers Manufacturing Materials are unique and proprietary and that monetary damages will be inadequate to compensate Buyer for Seller's breach of this provision. The parties agree that, in addition to any other remedies available to Buyer under this order, or at law or in equity, Buyer will be entitled to seek injunctive relief to enforce the terms of this clause

**CLAUSE 9 – AEROSPACE QUALIFICATION REQUIREMENTS**

- (A) Supplier guarantees the right of access to Placeteco Inc., its customers and regulatory authorities to all facilities involved in the order and to all applicable records.

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- (B) All records shall be maintained on file for a minimum of ten (10) years after the last shipment or as per OEM requirements.
- (C) Notification to Placeteco Inc. of changes to product and/or processes definition or services, suppliers and facilities and obtain Placeteco's approval.
- (D) Notification to Placeteco Inc. of nonconforming product. Supplier must receive nonconforming product disposition approvals.
- (E) Supplier assures flow down to the supply chain the applicable requirements including customer requirements.
- (F) Customer verification activities performed at any level of the supply chain should not be used by the organization or the supplier as evidence of effective control of quality and does not absolve the organization of its responsibility to provide acceptable product and comply with all requirements.
- (G) All Articles are subject to final inspection and acceptance by Buyer at destination, notwithstanding any payment or prior inspection at source. The final inspection will be made within a reasonable time, not to exceed ninety (90) calendar days receipt at the Articles. Buyer shall notify Seller if any Articles delivered hereunder are rejected, and such Articles may be returned to Seller at Seller's risk and expense at Buyer's discretion. Seller's account will be debited the full price of the Article until such Article is replaced or repaired and returned to Buyer. Inspection and tests by Buyer do not relieve the Seller responsibility for defects or other failures to meet this Order's requirements. Acceptance shall not be final with respect to latent defects, fraud, or gross mistakes amounting to fraud.
- (H) The seller is responsible for complying with Quality System requirements noted herein and for meeting Quality performance expectations. Failure to comply with Quality System requirements or to achieve an acceptable Quality performance level may result in an on-site audit or additional source inspection oversight being initiated by Buyer.
- (I) For valid warranty claims, Buyer shall debit Seller's account per event for actual freight charges and customs brokerage incurred in shipping defective Articles both to and from the Buyer.

**CLAUSE 10 – WARRANTY**

- (A) Seller warrants that all Articles delivered under this Order will be free from defects in design, material and workmanship will conform to applicable descriptions, specifications and drawings and are suitable for the purpose intended.
- (B) Seller's warranties shall be enforceable by Buyer's customers as well as Buyer and shall be valid for thirty-six (36) month after delivery to Buyer's customers.
- (C) Defective Articles will be returned to Seller at Seller's expense for repair or replacement, at Buyer's option.

**CLAUSE 11 – INTELLECTUAL PROPERTY RIGHTS AND INDEMNITY**

- (A) Any copyright, trademark, trade secret, software, data, idea, concept, process, formula, invention, system, report or other intellectual property shall be the sole property of Buyer.

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- (B) With respect to Articles delivered under this Order, Seller shall save Buyer, its agents, customers, and users of its products harmless from all loss, damage and liability incurred on account of any infringement or alleged infringement of a Patent, copyright, or trademark or misappropriation of a trade secret or other violation of an intellectual property right of a third party, arising out of the manufacture, sale or use of such Articles by Seller, Buyer, Buyer's agents, customers, or users of its products; and Seller shall at its own expense defend all claims, suits and actions against Buyer, its agents, customers, or users of its products in which such infringement or other violation of an intellectual property right of any third party is alleged, provided Seller is notified of such claims, suits and actions. This indemnification does not apply to Articles manufactured to detailed designs developed and furnished by Buyer.

### **CLAUSE 12 – PRICES, PAYMENT AND DISCOUNT**

- (A) Payment by Buyer will be made (XX) days from the later of the following : (i) the date of acceptance of the Articles or (ii) from Buyer's receipt of an acceptable invoice. Any payment discounts will be calculated from the same date. Discount terms shall be clearly stated on the face of each invoice.

### **CLAUSE 13 – INVOICING, PACKING AND SHIPPING**

- (A) Separate invoices indicating Order number, line item number (s), quantity, unit price and extended value are required for each Order unless Pay Upon Receipt has been established with the Seller. On the date of shipment(s) Seller shall mail one copy of each invoice to Placeteco inc.
- (B) Seller shall comply with the routing instructions shown on this Order. Premium transportation will be paid by Buyer only when specifically authorized. If delays caused by the Seller result in the need for premium transportation, the additional costs for the premium transportation is the sole responsibility of the Seller. Seller shall not pre-pay, insure, or declare value of any shipment made F.O.B. shipping point.
- (C) Separate packing lists are required for each Order and must accompany each shipment. The location of the packing slip must be clearly marked on the container. The complete Order number must appear on all documents.
- (D) Single Article containers must be identified with Order, part number, and quantity. When multiple Orders or Articles are combined in one container, they must be separately packaged inside that container and the package identified as to Order, part number and quantity.
- (E) All Articles must be suitably packaged and prepared for shipment to withstand normal transportation and stocking functions. Containers must be in compliance with best commercial practices.
- (F) Test reports, X-rays, certificates and other supporting documents must accompany each shipment when required by this Order.
- (G) With each shipment to Buyer the Seller shall include on the packing slip a "Statement of Product Conformity". Unless otherwise required by contract, the Seller shall include a statement declaring compliance to all requirements specified in applicable standards and/or specifications documents. Seller's authorized quality representative must sign this certificate of compliance.

### **CLAUSE 14 – DELIVERY**

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- (A) Seller shall be responsible for the Articles covered by this Order until they are delivered to the designated F.O.B. point specified on this Order. The delivery dates contained in this Order are the dates that the Articles are required on dock at Buyer's facilities.
- (B) Time is of the essence in performing this Order. Should Seller experience or anticipate any delay in performing this Order, Seller shall immediately notify Buyer in writing of such delay, its expected duration and the reasons thereof. Neither such notification nor an acknowledgement by Buyer shall constitute a waiver of this Order's specified delivery schedule. The delivery schedule shall not be modified unless the parties do so in writing, except as otherwise provided in the Changes clause 4. Seller shall be liable for any direct damages resulting from a delay in delivery unless the delay is excusable as defined in the Justifiable Delay clause 7.

**CLAUSE 15 – ASSIGNMENT**

- (A) Neither this Order nor any interest herein nor any claim hereunder shall be assigned by Seller either voluntarily or by operation of law without the prior written consent of Buyer.

**CLAUSE 16 – DISPUTES**

- (A) In the event of a dispute arising between Buyer and Seller which is not disposed of by agreement, Seller shall request a final written decision from Buyer's Procurement Manager. If the parties cannot agree on a dispute resolution process or otherwise resolve a dispute, the said dispute will be filled in the proper court for disposition pursuant to the Applicable law.

**CLAUSE 17 – APPLICABLE LAW AND VENUE**

- (A) This Order including these Terms and Conditions are governed by and construed exclusively under the laws of the Province of Quebec. Both Buyer and Seller hereby submit to the sole and exclusive jurisdiction and venue to the courts of the Province of Quebec in any legal action related to or arising under this Order governed by these Terms and Conditions. Buyer and Seller hereby agree that the above sets forth the sole and exclusive jurisdiction and venue in which any lawsuit involving this Order may be filled.
- (B) The parties agree that these Terms and Conditions and any document referenced herein or attached hereto be drafted in English. Les parties aux présentes ont convenu que ces termes et conditions de tout document s'y rapportant ou y étant joint soient rédigés en anglais seulement.

**CLAUSE 18 – PARTIAL INVALIDITY : WAIVER**

- (A) If any provisions of this Order, including these Terms and Conditions, become void or unenforceable, the other provisions shall remain valid and enforceable. Waiver of one or more provisions of any of these Terms and Condition by Buyer shall in no way act as a waiver of any of the other provisions herein.

**CLAUSE 19 – ORDER OF PRECEDENCE**

In the event of any inconsistency among the provisions of this Order hereunder, such inconsistency shall be resolved by giving precedence in the following sequence:

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- (A) Provisions typed on the face of this Order,
- (B) Terms and conditions,
- (C) Specifications,
- (D) Other documents, exhibits, and attachments to this Order.

**CLAUSE 20 – INDEPENDENT CONTRACTOR**

- (A) Seller is an independent contractor in all its operations and activities under this Order and all personnel furnished by Seller or used by Seller in the performance of this Order shall be Seller's employees exclusively without any relation whatsoever to Buyer. Seller is responsible for all obligations and reporting requirements covering social security, unemployment insurance, worker's compensation, income tax, etc. and any other reports, payments or deductions required by local, provincial, state, or federal law or regulation. Seller is not granted expressly or impliedly, any right or authority to create any obligation or liability on behalf or in the name of Buyer.

**CLAUSE 21 – BUYER INFORMATION**

- (A) Seller agrees to comply with the terms of any Proprietary Information Exchange Agreement (s) with Buyer and to comply with all proprietary information markings and restrictive legends on information provided hereunder by Buyer to Seller. Seller agrees not to use any Buyer-provided information for any purpose except to perform this Order and agrees not to disclose such information to third parties without the prior written consent of the Buyer.

**CLAUSE 22 – SUSPECT/COUNTERFEIT PARTS**

- (A) Seller shall supply Articles that are not and do not contain suspect/counterfeit parts. A suspect item is an item in which there is an indication by visual inspection, testing, or other information that it may not conform to established government or industry accepted specifications or national consensus standards. A suspect/counterfeit item is any item that is a copy or a substitute without legal right or authority to do so, or one whose material, performance, characteristics or identity does not appear to be authentic. The term also includes approved Article that has reached a design life limit or has been damaged beyond possible repair, but are altered and deliberately misrepresented as acceptable. Failure by Seller to document material substitution or identify that an item has been refurbished or remanufactured is considered to be fraud, and the item then becomes suspect/counterfeit.
- (B) Certification of product shall include name and location of all supply chain intermediaries from the source providing the product to the approved original manufacturing source. Seller shall maintain documentation of traceability, inspection, testing, and make such documentation available to Buyer upon request.
- (C) It is determined by Buyer that a suspect/counterfeit part has been supplied, Buyer will impound the items pending a decision on disposition. Notwithstanding anything else to the contrary herein, Seller shall replace such items with items acceptable to Buyer and shall be liable for all costs relating to the impoundment, removal, and replacement. The remedies contained in this paragraph are in addition to any remedies Buyer may have at law, equity or under other provisions herein. Buyer may also notify the applicable Government representatives and reserves the right to withhold payment for the items pending results of the investigation.

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### CLAUSE 23 – HAZARDOUS MATERIAL

- (A) Seller certifies it is in compliance with all federal, state or provincial laws, including but not limited to the U.S. Occupational Safety and Health Act of 1970 (OSHA) or the Canadian Hazardous Products Act as applicable. Furthermore, if the Articles purchased herein are considered toxic or hazardous as defined in the above set of regulations, Seller shall provide a copy of the Safety Data Sheet (SDS) with each shipment or as otherwise specified on the Order.
- (B) Seller shall comply with all applicable Regulation, Restriction and Reporting requirements of the Materials and Substances Declaration for Aerospace and Defence (AD-DSL) regulations. Information about AD-DSL regulations, lists of substances can be found at <http://www.iaeg.com/chemicalrpt/addsl/>
- (C) Seller shall comply with all applicable Registration, Evaluation, Authorization and Restriction of Chemicals EC No. 1907/2006 (REACH) regulations and any subsequent revisions or amendments. Information about REACH regulations, lists of substances subject to authorization, and information concerning Substances of Very High Concern (SVHC) can be found at <https://www.echa.europa.eu/candidate-list-table>.
- (D) For Suppliers NOT manufacturing or delivering from the European Union (EU): If articles delivered by Seller under any Order may be incorporated into goods destined for the European Union, REACH regulations will apply. Pursuant to subsection (B)(iii) below, Seller agrees to provide all information or data as reasonably requested by Buyer to satisfy Buyer's reporting obligations under REACH. Seller must flow down these requirements to its supply chain as necessary to ensure documentation and reporting as required. Seller shall bear any and all costs and expenses related to REACH compliance.
- (E) For Suppliers manufacturing or delivering from the EU: Articles manufactured or delivered from the European Union by Seller under any Order must be compliant with REACH. Chemical substances and preparation integrated in such Articles must be made only with substances preregistered and authorized by REACH regulations. This requirement is also applicable for chemical substances and preparation used in manufacturing processes. Pursuant to subsection below, Seller agrees to provide all information or data as reasonably requested by Buyer to document compliance with REACH regulations. Supplier is solely responsible for all obligations under REACH in connection with the Articles delivered under any Orders. Seller must flow down these requirements to its supply chain as necessary to ensure documentation and reporting as required. Seller shall bear any and all costs and expenses related to REACH compliance.
- (F) REACH and AD-DSL Reporting and Documentation: Upon Buyer's request, Seller agrees to timely respond to all of Buyer's written inquiries and will include all requested information.
- (G) To the extent Seller's Articles or any substances in the Articles fall within the scope of other hazardous material, substances regulations, laws that restrict or regulate product content, or other similar chemicals regulations (collectively "Substance Laws") in any country or locality, Seller must comply with all applicable regulations and agrees to provide any required information or documentation as needed to ensure compliance.
- (H) In the event that Seller does not fulfill its obligations under REACH and AD-DSL, Buyer may terminate any Order. Seller shall be responsible for all losses, costs, claims, causes or action, damages, liabilities, and expenses, including attorney's fees and court costs, arising from any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier in the performance of any of its



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obligations under this Clause or for any failure to comply with any applicable REACH and AD-DSL regulation or any Substance Laws.

### **CLAUSE 24 – PRODUCT CLASSIFICATION AND ORIGIN**

- (A) At the time the Purchase Order is accepted, Seller must provide Buyer a statement specifying the Country of Origin, the Article name and description, Buyer and Seller part number, Harmonized (Tariff) Schedule (HTS/HS) number, manufacturer name and location. Seller will also provide, as requested, any other documentation that is required for U.S. and/or Canadian Customs and other Government agency compliance.
- (B) If the Articles provided under the Order qualify for preferential duty treatment under the United States – Mexico – Canada Agreement (USMCA), Seller undertakes to provide a Certificate of Origin (USMCA) to enable Buyer to claim preferential duty treatment at the time of entry. Seller acknowledges that the Certificate will be used by Buyer and Custom Broker as a proof of eligibility for preferential duty treatment, and agrees to provide full cooperation to Buyer for any U.S. Canadian or other foreign Customs inquiries into preferential duty claims that arise out of any Article furnished under the Order. A certificate must be provided for each shipment. This certificate must be attached to the other customs documents accompanying the goods.
- (C) Seller must notify Buyer in writing of any change in the Origin of the Article.
- (D) Buyer will notify Seller in writing if Seller fails to supply documentation required under Paragraphs (A) through (C) of this Clause, and Seller agrees to provide Buyer the relevant documentation within 30 days of receipt of notice from Buyer.

### **CLAUSE 25 – PRODUCT SAFETY, SERVICE CONFORMITY**

- (A) Any deviation to drawing and/or process that may affect the product safety for its life cycle must be reported in writing to Placeteco.
- (B) All special processes required by a purchase order must be performed by qualified personnel.
- (C) FOREIGN OBJECT DAMAGE (FOD). The Seller shall assure that work is accomplished in a manner preventing foreign objects or material from entering and remaining in deliverable items. Maintenance of the work area and control of tools, parts and material shall preclude the risk of FOD incidents. Prior to closing inaccessible or obscured areas and compartments during the manufacturing process, the Seller shall inspect for foreign objects/materials. The Seller shall investigate all FOD incidents assuring elimination of the root cause.

### **CLAUSE 26 – CALIBRATION SYSTEM REQUIREMENTS**

- (A) All suppliers providing calibration services must identify standards used and must be traceable to National or International Standards. Supplier shall affix a sticker to the calibrated equipment containing, date of calibration and the renewal date.
- (B) All suppliers providing inspection services (CMM) must perform annual calibration for the equipment used to perform their work and provide a calibration certificate for each equipment.