

**St. Clair Technologies Inc.,**

**Terms and Conditions**

**1. Goods and Services Agreement**

The goods St. Clair Technologies Inc., (hereafter identified as SCT) purchases via electronic release, email notification or spot buy purchase order, which are provided by Supplier are subject to the following terms and conditions. Supplier agrees to be bound by and to comply with all such conditions. No other terms and conditions are binding upon St. Clair Technologies Inc., unless accepted in writing.

**2. Purchase order confirmation, price and terms of payment**

2.a All Purchase Order will be confirmed by Supplier for quantity, price and ship dates within 48 hours. Failure to reply within time frame will consider all terms legally binding. Failure to comply will also result in poor supplier performance grade. payments are made in United States dollars unless otherwise specified and agreed to by St. Clair Technologies Inc.'s, Finance Department.

2.b All prices shown on Purchase Orders reflect the most recent quoted price and are firm prices. If an adjustment in price is identified by Supplier upon receipt of purchase order, a representative from Supplier must return amended purchase order to St. Clair Technologies Inc., attention: SCT for acceptance of adjusted pricing. Payment terms for invoices received by St. Clair Technologies will be ninety days (90) from the invoice issuance date.

**3. Delivery and Packaging**

3.a All shipments of the Products shall be F.O.B. destination, freight collect. Brokerage, duty and other charges for International clearance shall be borne by SCT. Goods shall be shipped using the carrier selected at the sole discretion of SCT. The SCT representative shall provide the Supplier with a Routing Instruction for use in this capacity. Supplier shall be obligated to ship Products to the specific SCT location shown on Purchase Orders issued by SCT and accepted by Supplier. Supplier shall provide all documentation as required.

3.b Each PO shall identify the requested delivery date(s), and promise date. Due Date reflects the date that SCT requires the goods delivered in plant. Promise date reflects the lead time provided by Supplier. In the event Supplier anticipates that it will be unable to meet a delivery date for Products reflected in a PO, Supplier shall promptly inform SCT and provide an anticipated delivery date. In such event, Supplier and SCT shall work together in good faith to agree upon an alternate delivery date. Freight costs associated with shipments which are past due and require expedited transit to SCT shall all be borne by Supplier.

3.c Goods may not be shipped more than 2 days prior to due date without penalty. Shipping goods in advance of due date without previous authorization will be reflected in the Vendor delivery score.

3.d Unless SCT requests otherwise, all Products shall be packed for shipment in accordance with Supplier's standard practices. SCT shall notify Supplier of, and obtain Supplier's prior consent to, any special packaging requirements, which shall be at the sole expense of SCT. Supplier will ensure that all packages are labeled and bar coded per the instructions issued by SCT for bar coding and labeling of products.

3.e Material shipped in error shall be identified at time of receipt at SCT location. Supplier shall make all necessary arrangements to have product returned to their facility, including providing documentation and transportation instructions. All charges for the return of said material shall be borne by Supplier, including any costs for international clearance, customs charges and/or duties or taxes. All charges paid by SCT to have the erroneous goods delivered shall be itemized and provided to Supplier for full recovery.

**4. Inspection and rejection**

4.a The goods furnished must be exactly as specified in the PO. They must be free from all defects in design, workmanship and materials as specified in the material specifications outlined in the quote.

4.b The goods are subject to inspection and test by SCT at any time and place. If the goods and services furnished are found to be defective, SCT may reject them, or require Supplier to correct or replace them without charge. Should the defect cause a sort of any nature which is connected to Supplier Quality Supplier agrees to compensate SCT equitably under the specific circumstances and cover negotiated costs of sort, inspection or replacement of SCT manufactured goods.

4.c Visible damage of goods shipped by Supplier will be reported back to Supplier upon receipt of goods. If the determination is made that packaging was not designed to sustain safe transit of product Supplier will provide replacement product free of charge. If the damages are determined to be the responsibility of the carrier, or alternate external source, SCT will pursue claims to recover lost product value. Supplier will provide any required documentation to support SCTs claim of recovery.

4.d If Supplier is unable or refuses to correct or replace such items of poor quality within a time deemed reasonable by SCT or our OEM Customers, SCT may terminate this PO in whole or in part. Supplier agrees to reimburse SCT for related costs incurred, as a result of the defect in quality.

## **5. Changes**

5.a SCT may make changes to Purchase Orders issued including quantity and delivery date for specially manufactured goods, by giving notice to Supplier. If such changes affect the cost of or the time required for performance of this PO, an equitable adjustment in the price or date of delivery or both can be negotiated. No change to lead time or quantity available can be made by Supplier without written approval of SCT.

5.b Engineering Changes must be identified to SCT 30 days in advance of established lead time. Engineering changes may be considered a material change to the specification of the product and SCT can amend or cancel a purchase order should the Engineering change be deemed to affect the form, fit and function of the purchased product.

## **6. Documentation and Operation**

6.a The Supplier will supply to SCT Material Certifications, IMDS Submissions, Customs Documentation and PPAP warrants, as is identified within the Request for Quote. Additional information can be found on the St. Clair web site with respect to the specifics of these requirements [www.stclairtech.com](http://www.stclairtech.com)

6.b Failure to provide documentation may result in administrative charges. Our Supplier Quality Group will provide support and provide instruction whenever possible; however as a function of acceptance of our purchase order these documents are required to be provided to our company. Ongoing failure could be grounds for cancelation of the purchase order entirely, including any remaining outstanding quantities.

6.c Whereas the purchase is tooling, machinery or equipment, instructions for installation, operation, maintenance and repair of the goods is required to be provided. If debugging is determined to be required during the life of the equipment the vendor agrees to provide technicians and/or instructions for the changes to SCT.

## **7. Warranty**

7.a Supplier warrants to SCT that goods supplied under this PO are free from defects in material, workmanship and design, suitable for the purposes intended or implied, in compliance with all applicable specifications and free from liens or encumbrance on title.

## **8. Confidentiality**

8.a In the performance of the services, the Supplier and its subcontractors, if any, may have access to confidential information (hereinafter referred to as the "Confidential Information") which SCT must protect from disclosure pursuant to the Act respecting access to documents held by Public Bodies and the protection of personal information. The Supplier undertakes to hold all of the Confidential Information it receives in strict confidence and neither to disclose or release in any manner such Confidential Information to any third party nor to use such Confidential Information for any other purpose than the one for which SCT has disclosed same; to disclose Confidential Information only to those of its employees or agents who need to know

such Confidential Information for the said purpose. The Supplier warrants that such employees or subcontractors are obligated to and will hold Confidential Information in strict confidence and to take all reasonable measures to ensure that confidentiality is respected. The Supplier shall indemnify and hold harmless SCT its officers, directors and employees from and against any and all liabilities, claims, suits, demands, disputes, recourses, damages and expenses including, without limitation, reasonable legal fees arising from any and all claims in respect of, or resulting from, the use or the disclosure of Confidential Information by the Supplier, its employees or sub-contractors.

## **9. Indemnification**

9.a Except for damages caused by the negligence of SCT, Supplier shall defend, indemnify and hold SCT harmless from all claims, actions, demands, loss and cases of action arising from injury, including death, to any person, or damage to any property, when such injury or damage results in whole or in part from the acts or omissions of Supplier.

## **10. Insurance**

10.a Supplier and any Sub-contractor used by Supplier must carry Comprehensive General Liability and adequate Comprehensive Automobile Liability Insurance. Upon request, Supplier must provide to SCT certificates from Supplier's insurers showing that such coverage is in effect and agreeing to give SCT thirty (30) days' prior notice of cancellation of the coverage.

## **11. Termination**

11.a This PO may be terminated or suspended by SCT in whole or in part. SCT will deliver to the Supplier a written notice specifying the reason that the deliveries of goods and services under this PO is terminated and/or suspended and the date upon which such action shall become effective.

11.b In the event of such action SCT shall pay Supplier for the goods and services satisfactorily provided to the effective date of termination or suspension. In this case, Supplier may submit a proposal to SCT for equitable accounting for costs of direct termination expenses. The acceptance of the termination terms for the purchase order by SCT shall discharge any further obligations of either party.

## **12. Force Majeure**

12.a Supplier shall not be liable for default or delay due to causes beyond Supplier's reasonable control and without fault or negligence on the part of Supplier. The Supplier shall give SCT prompt notice in writing when any such cause appears likely to delay deliveries and is required to take appropriate action to avoid or minimize such delay.

12.b If any such default or delay threatens to impair Supplier's ability to meet delivery requirements for its material SCT shall have the right, without any liability to Supplier or SCT, to cancel the portion or portions of the purchase order so affected.

12.c SCT shall not be liable for default or delay in the performance of its obligations related to a purchase order due to any cause beyond its reasonable control.