

TERMS AND CONDITIONS OF PURCHASE

1. AGREEMENT. These Terms and Conditions of Purchase, together with any standing order or other purchase order (each, a "Purchase Order") submitted hereunder (collectively, the "Agreement"), constitute the entire agreement between Stilmas Americas Inc. ("Stilmas") and you ("Supplier") and supersede all other agreements and understandings, whether written or oral, between Stilmas and Supplier with respect to the subject matter hereof. Stilmas's acceptance of any offer by Supplier is expressly made conditional upon Supplier's assent to all of the terms and conditions hereof, and Supplier agrees that none of the terms in Supplier's offer that are additional to or different from the terms hereof will apply. Acceptance of Stilmas's offer to buy contained in any Purchase Order is expressly limited to the terms of this Agreement and no other terms will apply other than, if applicable, the terms of a quality agreement relating to the Products (as hereinafter defined) entered into by the parties. Stilmas hereby gives notification of objection to the inclusion of any different or additional terms proposed in Supplier's acceptance of any Purchase Order, and if such terms are included in Supplier's acceptance, Supplier agrees that a contract of sale will nevertheless result upon only the terms stated herein. THIS AGREEMENT WILL APPLY UNLESS SUPPLIER HAS A SEPARATE WRITTEN AGREEMENT WITH STILMAS THAT EXPRESSLY REPLACES THIS AGREEMENT.

2. CHANGES. Stilmas may at any time make changes to designs, drawings, specifications, method of shipment, or time or place of delivery, as well as to quality, quantity or scope or schedule of services. If any such change causes an increase or decrease in the cost of, or the time required for the performance of, this Agreement, an equitable adjustment will be made in the contract price, or delivery date or schedule, or both. No change order will be binding on Stilmas unless issued by an authorized Stilmas purchasing agent. Supplier is not permitted to deviate from Stilmas's specification or make changes to its process for making the goods covered by this Agreement (the "Product(s)") without prior written approval from an authorized Stilmas purchasing agent. For the avoidance of doubt, Supplier is not permitted to outsource the manufacturing or assembly process of any of the Products without prior written approval from Stilmas. Any Supplier claim for adjustment under this clause will be deemed waived unless asserted within thirty (30) days from Supplier's receipt of the change or suspension notification, and may only include reasonable, direct costs that will necessarily be incurred as a direct result of the change.

3. GOVERNING LAW. This Agreement will be exclusively governed by and interpreted in accordance with the substantive laws (and not the laws of conflicts) of the Province of Ontario. Any and all disputes arising under this Agreement will be dealt with under the exclusive jurisdiction and exclusive venue of the provincial courts located in the City of Toronto, Ontario, to the exclusion of all other courts. Each party expressly agrees to submit to the jurisdiction of such courts.

4. DELIVERY AND INSPECTION. Time is of the essence in the performance of any Purchase Order. Stilmas may accept or return Products received after their required delivery date without waiving Stilmas's right to return subsequent shipments delivered after the required delivery date. Each shipment of Products must include a packing list with the following information: purchase order number, manufacturer's part number, manufacturer's lot number and respective quantity per lot, Stilmas's part number, number of cartons in shipment, quantity of Products per carton and total quantity of Products. All Products will be received subject to Stilmas's right of inspection and rejection at any time after receipt. Title and risk of loss for all Products will pass to Stilmas upon Stilmas's receipt of the Products. Any Products returned to Supplier because of a nonconformity will be returned at Supplier's expense. Acknowledgment of receipt will not constitute acceptance, and payment prior to inspection will not constitute waiver of any rights hereunder. Stilmas will have thirty (30) days from receipt to inspect Products; provided, however, that Stilmas does not waive any rights it has to, at any time, reject or revoke acceptance of Products not conforming to the warranty provisions set forth in this Agreement. Stilmas and its customers reserve the right to perform onsite inspections, testing and quality audits of Supplier's facility and/or manufacturer's facility in conformance with regulatory requirements or as otherwise deemed necessary by Stilmas and/or its customers in order to assess work quality, conformance with Stilmas's specifications, and conformance with Supplier's representations, warranties, certifications and covenants under this Agreement. Supplier will maintain an inspection and testing system for the same that is acceptable to Stilmas and will keep records of all inspection and testing data, with respect to Products and samples of each lot shipped, for two (2) years after delivery. Unless otherwise agreed by Stilmas in writing, Supplier will deliver to Stilmas a certificate of analysis or a certificate of compliance to specifications approved by Stilmas with respect to each Product lot shipped. Supplier will ensure safe and sound delivery of the Products. Supplier will suitably pack, mark and ship all Products in adequate protective packaging and in accordance with any reasonable instructions from Stilmas and the requirements of common carriers. Supplier will be liable, and will promptly reimburse Stilmas, for the amount of any loss or damage due to acts or omissions of Supplier's personnel, its affiliates and contractors while on Stilmas's premises in connection with Supplier's performance of this Agreement. Supplier will maintain levels of insurance customary in the industry and adequate to insure against customary risks.

5. QUALITY. Supplier will not make any changes to any Product or service (including, but not limited to, any changes to the manufacturing site, manufacturing process, labeling, raw materials or proportions of raw materials used in Products) delivered to Stilmas under this Agreement unless Supplier notifies Stilmas in writing of the change at least one hundred eighty (180) days

before its implementation and Stilmas agrees to such change in writing. Supplier will be liable for all losses and damages that Stilmas may suffer if Supplier does not comply with the requirements of the preceding sentence. At Stilmas's request, Supplier will provide samples of Product produced with the proposed change to test in Stilmas's manufacturing process. In addition, Supplier will participate and aid in programs implemented by Stilmas with respect to quality in manufacturing and delivery of Products and services, including, but not limited to, Stilmas's supplier corrective action response process.

6. COMPLIANCE WITH THE LAWS. Supplier represents, warrants, certifies and covenants that it will comply with all applicable federal, state/provincial and local laws, rules, regulations and orders in performing its obligations under this Agreement, including those relating to slavery and human trafficking. Supplier represents and warrants that the Products and/or services purchased hereunder were not manufactured or delivered, and are not being sold, priced or performed, in violation of any applicable law, rule or regulation.

7. INDEMNIFICATION. Supplier agrees to defend, indemnify and hold Stilmas (and its affiliates) harmless with respect to all claims, liabilities, damages or expenses (including, without limitation, legal fees and expenses) incurred that relate to or are caused by Supplier's performance or nonperformance of its duties under this Agreement, including, without limitation, any: (a) actual or alleged infringement, misappropriation or other violation of any third party's intellectual property rights or other rights in connection with the purchase, sale or use of the Products or provision of services covered by this Agreement; (b) actual or alleged defects in such Products or services; (c) actual or alleged breach of warranty; or (d) failure of Supplier to deliver the Products or services on a timely basis. This clause will not be construed to preclude or limit any other rights or remedies available to Stilmas.

8. CONFIDENTIAL INFORMATION. Supplier agrees that all information furnished to Supplier by Stilmas is proprietary to Stilmas and such information will be held in confidence and may not be used or disclosed by Supplier without Stilmas's prior written consent, except for the fulfillment of any Purchase Order. This clause will survive the expiration or termination of this Agreement.

9. TAXES; LIENS. Except for goods and services tax (GST), harmonized sales tax (HST), Quebec sales tax (QST), British Columbia sales tax (BST), Saskatchewan sales tax and Manitoba sales tax (MST), if applicable, the price of each Product covered by this Agreement includes all applicable taxes and other such fees. All Products to be delivered by Supplier hereunder must be free and clear of any and all liens and encumbrances whatsoever.

10. TERMINATION. Stilmas may terminate this Agreement, or any part thereof, by written notice to Supplier, if Supplier defaults for any reason, including, without limitation, the following events of default: (a) Supplier's failure to timely deliver any installment or to otherwise perform within the time specified; (b) any material adverse change involving Supplier that Stilmas in good faith believes may impair the likelihood that Stilmas will receive timely and full performance of any order where Supplier does not provide adequate written assurances within ten (10) days of Stilmas's written request for such assurances; or (c) Supplier's insolvency, assignment for the benefit of creditors, or subjection to proceedings under any law relating to bankruptcy, insolvency, dissolution or the relief of debtors. Stilmas's rights under this clause are in addition to all other rights and remedies available to Stilmas at law or equity upon Supplier's default.

11. MOST FAVORED NATION. Supplier guarantees that the price charged to Stilmas hereunder is the lowest price given to other customers for the purchase of similar quantities of the Product(s) purchased by Stilmas. If Supplier offers a lower price to another customer for similar quantities of the same Product(s) within sixty (60) days of the date of any purchase of such Product(s) hereunder, the price charged to Stilmas will be automatically amended to the lower price.

12. WAIVER; VALIDITY. A waiver by Stilmas of any breach of this Agreement will not constitute a waiver by Stilmas of any similar or other breach. If any provision in this Agreement is found to be invalid or unenforceable in any respect, the validity and enforceability of the remaining provisions of this Agreement will not be affected.

13. WARRANTY. In addition to all warranties and conditions implied by law and any express warranties provided by Supplier, Supplier represents and warrants that all Products and all services performed in connection with this Agreement (a) will conform to all drawings, samples or other descriptions furnished or specified by Stilmas or Supplier, (b) will strictly conform to the specifications furnished, specified or approved by Stilmas, (c) will be merchantable and fit for their intended purpose, (d) do not infringe any third party intellectual property rights, and (e) will be of high quality and free from defects in design, material and workmanship. All warranties will survive acceptance and payment. If any Products do not comply with the warranties provided for in this Agreement, in addition to any other remedies available at law or in this Agreement, Supplier shall, at Stilmas's discretion, either (i) repair or replace such Products, or (ii) refund the price of such Product.

14. SET-OFF. Upon notice to Supplier, Stilmas may deduct damages for breach of warranty or any other provision of this Agreement from the amount shown due Supplier on any invoice, whether or not the deduction and invoice are related to the same sale or series of sales.

15. COMPLIANCE WITH GOVERNMENT CONTRACT REQUIREMENTS. Supplier agrees to comply with all statutory, regulatory, and contractual requirements to the extent applicable to Supplier pursuant to Stilmas's status as a contractor or subcontractor to the U.S. or Canadian federal governments, any state or provincial governments and agencies thereof, and other public and

broader public-sector entities, including providing all required written certifications, representations, and disclosures, unless Stilmas agrees that Supplier is exempt.

16. GOVERNMENT PARTICIPATION. Supplier represents and warrants that neither it nor any of its current directors, principals, officers, or key personnel are currently excluded, debarred, suspended, proposed for debarment or otherwise ineligible to contract with any municipal, provincial, state or federal government in Canada or elsewhere. Supplier will notify Stilmas of any change in the status of such representation and warranty.

17. RECALL. Supplier will initiate a recall of a Product if it reasonably determines a recall to be advisable or if required by any applicable law, rule or regulation. Supplier will immediately notify Stilmas in writing of any recall of a Product. Supplier will bear the responsibility for all costs incurred in connection with any recall hereunder. Stilmas will cooperate fully with Supplier in effecting the recall.

18. RECORDS. Supplier will create and maintain accurate records related to the Product(s), including, but not limited to, manufacturer information and recall data with respect to each Product sold to Stilmas.

19. NOTICE. Any notice, demand, request, consent, approval or acceptance required or contemplated to be given or made hereunder must be in writing and either delivered personally or sent by electronic mail or by overnight courier or regular mail, postage prepaid, addressed as follows:

(i) in the case of Stilmas:

3250 Harvester Road, Unit #6
Burlington, ON L7N 3W9
Canada
Attention: President
Email: broczniak@stilmasna.com

(ii) in the case of Supplier:

To the address set forth on the first page of the Purchase Order or to such other address of which either party may from time to time notify the other in writing.

20. BUSINESS CONTINUITY PLAN. Supplier will develop and keep current a business plan that details strategies for response to and recovery from a broad spectrum of potential disasters. Upon request, Supplier will make such a plan available to Stilmas for review.