

GENERAL TERMS AND CONDITIONS

1 - GENERAL

1.1 The following TERMS AND CONDITIONS ("TERMS AND CONDITIONS") form an integral part of any Purchase Order, (the "ORDER"), issued by Cormer Group Industries Inc., ("CORMER"), and placed with the supplier, (the "SUPPLIER"), covering the manufacturing or products or supply of material ("GOODS") and/or provide the services, ("SERVICES"), also following definitions apply unless the context requires otherwise:

"Delivery" means the date of promised shipment for Goods and Services as specified in an Order and/or by CORMER.

"Goods" means goods, supplies, software, drawings, data, reports, manuals, other specified documentation, or items that are required to be delivered pursuant to, or in connection with, an Order. Where the context permits, the use of the term Goods shall include Services.

"Customer(s)" means any of the ultimate owner, lessee or operator of the Goods and includes the purchaser of an end product incorporating the Goods and/or Services provided by the Supplier under the Order;

"Order" means "Purchase Order" or "purchase order" or "Contract" or "Agreement" (if the context so requires) means the authorized ordering mechanism placed by CORMER with SUPPLIER for Goods or Services, including the Terms and Conditions set forth herein.

"Government" means the applicable agency of a nation with responsibility for the oversight of the Goods or Services produced or provided under the Order;

1.2 Any ORDER shall be issued in writing, and any modifications and amendments to the ORDER, and/or the TERMS AND CONDITIONS, as well as any of the SUPPLIER's own general terms and conditions shall be applicable and binding only if expressly acknowledged in writing by CORMER.

1.3 Written confirmation of acceptance of the ORDER shall be provided to CORMER by the SUPPLIER within five (5) working days after receipt and this written acceptance shall establish the ORDER ("ORDER"), entered into between CORMER and the SUPPLIER regarding the supply of the GOODS or SERVICES by the SUPPLIER to CORMER. In the absence of any such written confirmation and acceptance, any action taken by SUPPLIER in fulfillment of the ORDER shall be conclusive evidence of SUPPLIER's confirmation of acceptance.

1.4 If written confirmation of acceptance of the ORDER is not provided to CORMER from the SUPPLIER after five (5) working days of the SUPPLIER's receipt of the ORDER, it is understood that the SUPPLIER accepts the ORDER.

1.5 CORMER reserves the right to revoke or withdraw the ORDER, in whole or in part, prior to SUPPLIER'S acceptance.

1.6 By accepting the ORDER, SUPPLIER agrees to comply with the terms and conditions contained herein and any other attachments noted in the ORDER and to sell the goods or products ("GOODS") and/or provide the services ("SERVICES") as described herein for the prices indicated therein.

1.7 In case of contradiction between the ORDER and these TERMS AND CONDITIONS, the specific conditions stipulated in the ORDER shall prevail.

1.8 Acceptance of the ORDER is expressly limited to the TERMS AND CONDITIONS contained herein (including attachments to the ORDER). No TERMS OR CONDITIONS submitted by either party that are in addition to, different from or inconsistent with those contained herein or in the ORDER, including, without limitation, SUPPLIER'S standard printed terms and conditions, and any terms and conditions contained in any Supplier quotation, invoice, order acknowledgment, confirmation, acceptance, bill of lading or other instrument, shall be binding upon either party unless specifically and expressly agreed to in writing signed by duly authorized representatives of both parties.

1.9 The ORDER constitutes the entire ORDER between CORMER and the SUPPLIER with respect to the matters contained in the ORDER and supersedes all prior oral or written representations and ORDERS.

1.10 The term "Week" is to be understood as seven (7) calendar days.

2 - PRODUCT INFORMATION

2.1 All information and data contained in brochures and price lists are binding only to the extent that they are by reference expressly included in the ORDER.

2.2 SUBCONTRACTING

2.2.1 Except as otherwise provided in this TERMS AND CONDITIONS, SUPPLIER shall not subcontract nor sublet any work nor make any purchases without prior approval of CORMER and any such Subcontracts, sublets or purchases made without such approval shall not bind nor obligate CORMER in any manner.

- 2.2.2 SUPPLIER shall submit any request to subcontract, sublet or make any purchase to CORMER by written notice for prior approval. The Notice shall include the part number, model number, or description of service that will be listed with the Subcontractor and/or supplier. CORMER may, upon receipt of a Notice, approve the request. If CORMER does not notify SUPPLIER of its refusal to approve the request within thirty (30) days, SUPPLIER may assume that such approval has been granted.
- 2.2.3 Without the prior written approval of CORMER, SUPPLIER may:
- i. Subcontract or sublet work to any one Subcontractor to a value not exceeding \$50,000 in the aggregate.
 - ii. Make off the shelf purchases and purchases of such standard articles and materials as are ordinarily manufactured or produced by mills and manufacturers in the normal course of business; and
 - iii. Authorize its first and subsequent tier Subcontractors to subcontract, sublet or make purchases as permitted in Section above.
- 2.2.4 Except as otherwise provided in this article, SUPPLIER shall follow SUPPLIER's competitive process for the subcontract or the sublet of any work of any kind or to make any purchase in connection with this contract.
- 2.2.5 CORMER or CUSTOMER reserves the right to audit both SUPPLIER's procedures and the application of said procedures at any time to ensure that SUPPLIER maintains the fairness and integrity of its selection process. SUPPLIER shall, upon request, provide CORMER or CUSTOMER with access to all relevant documentation to allow for reasonable assessment of the selection procedures used in the procurement relative to this contract within twenty (20) days of such request.
- 2.2.6 SUPPLIER recognizes that CORMER or CUSTOMER Representatives, from time to time, may wish to meet with Subcontractors or suppliers. Any meetings between CORMER or CUSTOMER Representatives or its authorized representatives and the SUPPLIER or the SUPPLIER's suppliers shall be arranged through the SUPPLIER. CORMER may however, arrange such a meeting should the SUPPLIER refuse or neglect to arrange any such meeting following notice from CORMER or CUSTOMER representatives.
- 2.2.7 SUPPLIER shall bind its suppliers to all those relevant terms of the Contract in order that they shall always be able to satisfactorily perform their obligations in such subcontracts, sublets or purchases in a manner fully consistent with the due fulfillment of the terms of this contract by SUPPLIER. Deviations from the terms of this contract, including any termination rights in this contract, shall be at SUPPLIER's entire risk.
- 2.2.8 Notwithstanding any other terms of this contract, SUPPLIER shall always be fully responsible and liable for any matters or things done or provided by any Subcontractor or supplier pursuant to this contract.
- 2.2.9 No act nor omission of SUPPLIER, whether occurring before or after the Effective Date of this contract, shall have the effect of rendering any monies payable by CORMER under this contract to any person, firm or corporation, other than the SUPPLIER, unless CORMER consents thereto in writing.
- 2.2.10 Subcontracts which contain security requirements or requiring access to SENSITIVE (Designated/Classified) information or assets shall not be awarded without the prior written consent of the Industrial Security Division of "PWGSC".

3 - PAYMENT

- 3.1 The SUPPLIER shall deliver the GOODS and render the SERVICES in accordance with the ORDER and the quantity and quality and technical specifications provided therein. Unless otherwise stipulated in the ORDER, export/import licenses/authorizations necessary for the export/import of the GOODS shall be the responsibility of the SUPPLIER.
- 3.2 Unless otherwise stipulated in the ORDER, all prices in the ORDER are valid net, for inspected GOODS, properly packed for transportation and preservation, and marked in accordance with the requirements of CORMER, delivered as agreed in the ORDER.
- 3.3 Any reference made to international trade terms will be interpreted in accordance with the relevant term of delivery as indicated on the ORDER.
- 3.4 Unless otherwise stipulated in the ORDER, all prices are fixed. Delivery delays and changes in the wage rates or the raw material prices may not result in price adjustments.
- 3.5 Unless otherwise stipulated in the ORDER, payment shall be made at CORMER's option either by bank transfer or in another way acceptable in accordance with business practices, and in currency of demand.

3.6 Unless mutually agreed in writing to the contrary in the ORDER, payments for GOODS hereunder shall become payable only after acceptance, in accordance with Paragraph 11 hereunder, demonstrating compliance of the GOODS with the requirements of the ORDER. In case of acceptance demonstrating compliance of the GOODS with the requirements of the ORDER the invoice shall become due sixty (60) days after receipt of the latter ORDER or invoice by CORMER.

3.7 Neither the SUPPLIER nor any third party may allocate the payments by CORMER to invoices other than those indicated by CORMER.

3.8 If, GOODS provided by the SUPPLIER are non conformant as per the ORDER, and following written action by CORMER, CORMER may return the GOODS to the SUPPLIER.

3.9 If the SUPPLIER has already been partly or fully paid by CORMER, a full refund shall become due and payable to CORMER upon return receipt of the GOODS by the SUPPLIER.

4 - TAXES; FREIGHT COSTS AND CUSTOMS DUTIES.

4.1 Prices specified in the ORDER are exclusive of any value added tax ("VAT"), goods and services tax ("GST"), sales, use or consumption tax or similar government tax payable on the supply of the Goods and/or Services (collectively, "Indirect Transaction Taxes").

4.2 If SUPPLIER is required by applicable laws to collect and pay Indirect Transaction Taxes to relevant government agency, CORMER shall remit payment to SUPPLIER of applicable Indirect Transaction Taxes at the percentage rate required by applicable laws in the jurisdiction where the supply takes place, provided SUPPLIER has first provided to CORMER an invoice for Indirect Transaction Taxes Invoice that complies with applicable laws.

4.3 CORMER reserves the right to withhold payment of Indirect Transaction Taxes if it has provided a valid tax exemption certificate to SUPPLIER. If the ORDER requires SUPPLIER to provide SERVICES, and if SUPPLIER is a foreign corporation or company (i.e. having its principal place of business outside of the country identified in COMPANY's address on the ORDER) or a non-resident alien individual, then, unless SUPPLIER provides CORMER with valid documentation (received prior to payment for SERVICES) showing that an exemption applies where the SERVICES are performed. CORMER reserves the right to withhold payment of amounts required to satisfy tax withholding obligations under applicable laws on account of the SERVICES.

5 - DELIVERY

5.1 Delivery shall be affected strictly in accordance with the delivery schedule established in the ORDER, and the SUPPLIER warrants that the GOODS will be delivered in accordance with such delivery schedule.

5.2 SUPPLIER will supply the GOODS and/or SERVICES to CORMER at the delivery point identified on the ORDER ("Delivery Point") and by the date specified therein or, if no date is so specified, within a reasonable time after SUPPLIER receives the ORDER. Time is of the essence of SUPPLIER'S performance of the ORDER. Unless otherwise agreed, partial shipments shall be permitted.

5.3 The SUPPLIER shall immediately notify CORMER in writing if, for whatever reason, the date of the delivery as stipulated in the ORDER cannot or may not be met. This notification will not release the SUPPLIER from his obligation to fulfill the ORDER in accordance with the agreed delivery schedule. The SUPPLIER shall send with any such notification a recovery plan which shall indicate a recovery delivery schedule with respective quantities. CORMER will assess the recovery plan and decide whether to accept or reject the proposed schedule. Acceptance of the recovery plan by CORMER does not substitute the original delivery schedule and does not exempt the SUPPLIER to pay penalties and damages as stated under Paragraph 6.

5.4 Risk of loss of the GOODS remains with SUPPLIER and title will not pass to CORMER until the GOODS are delivered to and accepted by CORMER at the Delivery Point. All GOODS and/or SERVICES shall be received subject to CORMER'S inspection and approval.

5.5 GOODS that are not in good condition, damaged by delivery or rejected by CORMER as not conforming to the ORDER shall, at CORMER'S option, be returned to SUPPLIER at SUPPLIER'S risk and expense and may not be replaced by SUPPLIER without CORMER'S written authorization.

5.6 If delay in delivery is caused by any of the circumstances mentioned in Paragraph 17 or by an act or omission on the part of CORMER, including suspension under Paragraph 32, the time for delivery shall be extended by a period which is reasonable having regard to all the circumstances in the case. This provision applies regardless of whether the reason for the delay occurs before or after the agreed time for delivery.

5.7 The risk of loss of the GOODS shall pass to CORMER upon acceptance of the GOODS by CORMER pursuant to Paragraph 11.

6 - PENALTY

6.1 If the GOODS are not delivered at the time for delivery, CORMER is entitled to liquidate damages from the date on which delivery should have taken place.

6.2 Liquidated damages shall be payable at a rate of 5% of the price of any GOODS that cannot in consequence of the delay be put to the use intended for each

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commenced week of delay. The liquidated damages shall be payable for no more than 10 weeks of delay (hereinafter called "the liquidated damages period"). SUPPLIER shall at the request of CORMER arrange expedite transport of the GOODS to mitigate delay at SUPPLIER's cost.

6.3 If delivery has not occurred during the liquidated damages period, CORMER shall be entitled to terminate its ORDER or by written notice require the SUPPLIER to deliver within a reasonable grace period, not exceeding 5 weeks (hereinafter called "the grace period"). During the grace period and until such GOODS has been delivered, CORMER shall be entitled to liquidated damages for each commenced week of delay at a rate of 5% of the purchase price of such GOODS. If the SUPPLIER is unable to deliver during the grace period, CORMER shall be entitled to terminate this ORDER. Claims by CORMER for liquidated damages shall not constitute a waiver of any right to cancel an outstanding ORDER or any other right under this Contract or under law.

6.4 The penalty period begins on the seventh (7) day to be counted from the first day after the day on which SUPPLIER should have delivered the MATERIAL in accordance with the ORDER.

6.5 The first penalty will be due on the seventh (7) day to be counted from the beginning of the penalty period as described in Clause 6.4. The first day of the penalty period is included in the calculation of the seven (7) days. All further penalties will be due on each seventh (7) day to be calculated from the due date of the first penalty.

6.7 If, in the case of partial deliveries, only part of the GOODS is delayed, the liquidated damages shall be calculated on that part of the purchase price which is attributable to such part of the GOODS as cannot, in consequence of the delay, be used as intended by the parties. The liquidated damage become due at CORMER'S written demand but not before delivery has been completed or the ORDER is terminated. If the SUPPLIER is in arrears with part of a complete unit, the penalty shall be based on the price of the complete unit or set to be delivered by the SUPPLIER, if this unit cannot be placed into service because of the delayed delivery.

6.8 Payment of a penalty will not release the SUPPLIER from his obligation to fulfill the ORDER in accordance with the specifications and schedules set forth in the ORDER.

6.9 CORMER is entitled to account the penalty at any time partly or entirely against the SUPPLIER's claims against CORMER, or to request payment of the penalty by the SUPPLIER. Not applying this right to claim the penalty immediately does not indicate CORMER's waiver to do so at a later date.

6.10 If the delay in delivery is such that CORMER is entitled to maximum liquidated damages and if the GOODS are still not delivered, CORMER may in writing demand delivery within a final reasonable period which shall not be less than one (1) week within North America and two (2) weeks internationally. If the SUPPLIER does not deliver within such final period and this is not due to any circumstance for which CORMER is responsible, then CORMER may by notice in writing to the SUPPLIER terminate the ORDER in respect of such part of the GOODS as cannot, in consequence of the SUPPLIER'S failure to deliver, be used as intended by the parties.

6.11 If CORMER terminates the ORDER he shall be entitled to compensation for the loss he has suffered as a result of the SUPPLIER'S delay. The total compensation, including the liquidated damages which are payable, shall not exceed fifteen (15) per cent of that part of the purchase price which is attributable to the part of the GOODS in respect of which the ORDER is terminated.

6.12 If liquidated damages and termination of the ORDER with limited compensation are the only remedies available to CORMER in case of delay on the part of the SUPPLIER, all other claims against the SUPPLIER based on such delay shall be excluded, except where the SUPPLIER has been guilty of gross negligence. In these conditions, gross negligence shall mean an act or omission implying either a failure to pay due regard to serious consequences which a conscientious contracting party would normally foresee as likely to ensue, or a deliberate disregard of the consequences of such act or omission.

7 - TERMINATION.

7.1 CORMER or SUPPLIER may terminate the ORDER by written notice to the other party in the event of a breach by the other party that is not cured within thirty (30) days after written notice thereof has been given. Any termination hereunder shall be without prejudice to any claims for damages or other rights of the parties.

7.2 CORMER is at any time entitled to terminate the ORDER in the whole or partially providing just cause if the SUPPLIER is noncompliant with the agreed upon ORDER. In the event of such termination CORMER shall have no liability to SUPPLIER for costs incurred by SUPPLIER except as may be agreed between the Parties in writing in an ORDER.

7.3 In case of a termination for convenience as set out in clause 7.1 by CORMER, the SUPPLIER's right to recover damages shall be limited to the ORDER sales price for finished but undelivered GOODS if manufactured in accordance with the ORDER, and to costs of such related raw materials purchased by SUPPLIER up to the receipt of notice of termination, and necessary to be included in work specified under an ORDER, but which cannot reasonably be used by SUPPLIER for any of SUPPLIER's other programs or products.

7.4 Total payment in the aggregate under clause 7.1 shall not exceed the price that SUPPLIER would have been entitled to receive in case of fulfillment of the non terminated ORDER.

7.5 SUPPLIER shall provide reasonably sufficient documentation to prove the right to any payment stipulated under Paragraph 7.1.

7.6 SUPPLIER may claim for payments only if SUPPLIER delivers all GOODS, for which payment is demanded, free of any third party rights or claims.

7.7 SUPPLIER has the obligation to support CORMER to mitigate any costs for which CORMER may be liable hereunder.

7.8 CORMER may terminate the ORDER at any time forthwith by written notice and without any liability for any costs or obligations to SUPPLIER if:

- a. SUPPLIER undergoes any change of ownership or change of Control (SUPPLIER being obliged to notify CORMER within thirty (30) days of any such change); or
- b. SUPPLIER ceases to do business, becomes unable to pay its debts as they fall due, becomes or is deemed insolvent, has a receiver, manager, administrator, administrative receiver or similar officer appointed in respect of the whole or any part of its assets or business, makes any composition or arrangement with its creditors, takes or suffers any similar action in consequence of debt or an ORDER or resolution is made for its dissolution or liquidation (other than for the purpose of solvent amalgamation or reconstruction), or any equivalent or similar action or proceeding is taken or suffered in any jurisdiction.
- c. any condition arises or becomes apparent to CORMER from which CORMER may reasonably conclude that SUPPLIER may be in violation of any law or regulation that may have a material effect on performance of the ORDER, or on the business or obligations of CORMER or any of its affiliates.

8 – PATTERNS, SPECIAL TOOLS, and EQUIPMENT

8.1 Unless otherwise agreed, patterns, special tools and equipment provided by the SUPPLIER to be used exclusively in fulfillment of the ORDER, shall be paid by CORMER and shall, when fully paid, become his property.

8.2 The SUPPLIER shall clearly mark all patterns, special tools and equipment belonging to CORMER. The SUPPLIER will also provide physical evidence by means of a Patterns, Special Tools and Equipment Log and/or photographs to CORMER when requested.

8.3 Patterns, special tools and equipment provided by CORMER, shall remain CORMER'S property. CORMER shall pay the SUPPLIER for any work necessary to adapt or supplement such patterns, special tools and equipment.

8.4 The SUPPLIER shall store patterns, special tools and equipment until deliveries under the ORDER have been completed. Patterns, special tools and equipment belonging to CORMER which remain in the SUPPLIER'S care after deliveries under the ORDER have been completed, shall be stored by the SUPPLIER at CORMER'S risk and expense.

8.5 The SUPPLIER, at CORMER'S request, shall insure patterns, special tools and equipment in his care which are CORMER'S property. The SUPPLIER shall carry the cost of such insurance.

8.6 The SUPPLIER shall not, without CORMER'S consent, use CORMER'S patterns, special tools or equipment for any other purpose than fulfillment of the ORDER. Nor shall such patterns, special tools or equipment be handed over to or otherwise be brought to the knowledge of a third party.

8.7 CORMER shall bear the risk and expense of all transport of patterns, special tools and equipment to and from the SUPPLIER.

8.8 All the SUPPLIER'S obligations regarding patterns, special tools and equipment shall finally cease three (3) years after the deliveries under the ORDER have been completed. Where practicable, the SUPPLIER shall inform CORMER before disposing of patterns, special tools and equipment.

8.9 All drawings and technical documents relating to the GOODS or their manufacture submitted by one party to the other, prior or subsequent to the formation of the ORDER, shall remain the property of the submitting party.

8.10 Drawings, technical documents or other technical information received by one party shall not without the consent of the other party, be used for any other purposes than those for which they were handed over. Without the consent of the party submitting the information, they shall not otherwise be used or copied, reproduced, transmitted or communicated to a third party.

8.11 CORMER shall have the right to free charge reproduce the documentation needed in order to fulfill its commitments towards their customers.

8.12 If either party wants a modification of the technical specifications of the GOODS/SERVICES they shall submit their proposal(s) in writing to the other party who shall respond in writing within 30 calendar days.

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9 - CONTINUING SUPPORT AND FUTURE OBLIGATION

9.1 The SUPPLIER is obligated to supply to CORMER, upon reasonable request, additional GOODS for a period of at least 15 years after completion of the ORDER, under similar conditions and at competitive prices. Accrued price increases and quantity will be considered when placing the ORDER, it being understood that such obligation shall not create any obligation on the part of CORMER to place any further ORDER regarding such GOODS with the SUPPLIER. If SUPPLIER engages in manufacturing GOODS according to CORMER'S drawings or CORMER'S technology without being ordered to do so by CORMER, he shall do so at his own risk and is not entitled to sell such GOODS to any third parties without the prior written consent of CORMER in case that CORMER should not order such GOODS.

9.2 Furthermore, the SUPPLIER is obligated not to terminate production of the GOODS after said 15 years without notifying CORMER in writing six months in advance and accepting within such period additional ORDERS regarding such GOODS.

9.3 The SUPPLIER agrees that in the event the ORDER is cancelled or in the event that the SUPPLIER fails or is unable to provide the support stipulated above, the SUPPLIER shall immediately provide CORMER at no costs with all drawings, data and technical information necessary for the manufacture of the GOODS, and CORMER shall have the right to manufacture or have manufactured for it such GOODS.

10 - IDENTIFICATION

10.1 The SUPPLIER shall use CORMER'S part numbers and drawing numbers stated in the ORDER on any of his documents (invoice, delivery note, and certificate), in addition to his own description and part numbers.

10.2 The SUPPLIER shall inform CORMER no later than when submitting his proposal or quotation, and again when sending his order acknowledgment, if his GOODS, or parts thereof, is subject to the Canadian Controlled Goods Program ("CCGP"), United States International Traffic in Arms Regulations ("ITAR") or other national military goods restrictions or limitations.

10.3 In case the GOODS to be supplied by SUPPLIER to CORMER is fully or partially CCGP and/or ITAR controlled, SUPPLIER will send CORMER a copy of their current CCGP registration number and/or ITAR license, necessary for the transfer of the GOODS to CORMER and from CORMER to the End-User.

11 - ACCEPTANCE

11.1 Unless otherwise stipulated in the ORDER, acceptance of the GOODS will take place at CORMER'S works in Winnipeg, Manitoba, Canada, within a maximum of ten working days after receipt of the GOODS.

11.2 Acceptance authority is the Quality Assurance Department of CORMER.

11.3 If the GOODS fulfill all specifications and conditions stipulated in the ORDER during quality inspection and acceptance, it shall be accepted. The fact that the GOODS have been accepted does not release the SUPPLIER from his warranty obligations per Paragraph 18.

11.4 If the GOODS cannot pass quality inspection and acceptance and therefore does not meet the specifications stipulated in the ORDER, CORMER may reject the GOODS and set a new date for re-inspection/acceptance. The SUPPLIER shall bear all cost arising to CORMER for the repetition of the inspection/acceptance.

12 – ACCEPTANCE TESTS

12.1 CORMER may during normal working hours inspect the SUPPLIER'S final test facilities to be used in the performance of the ORDER, and inspect and test the GOODS in respect of design, materials and workmanship. CORMER shall give the SUPPLIER one week's notice of the inspection. Inspections and tests shall not unduly interfere with the performance of work.

12.2 Unless otherwise agreed, acceptance tests provided for in the ORDER shall be carried out at the place of manufacture during normal working hours. If not otherwise specified in the ORDER, the tests shall be carried out in accordance with general practice in the relevant branch of industry in the country of manufacture.

12.3 The SUPPLIER will notify CORMER of any agreed acceptance tests in sufficient time to permit CORMER to be represented at the tests. If CORMER is not represented, the test report shall be sent to CORMER and shall be accepted as accurate.

12.4 If the acceptance tests show that the GOODS deviate from the requirements of the ORDER, the SUPPLIER, unless CORMER accepts the deviation, without delay ensure that the GOODS comply with the ORDER. New tests shall then be carried out at CORMER'S request, unless the deviations were insignificant.

12.5 The SUPPLIER bear all costs for any agreed acceptance tests carried out at the place of manufacture. All travelling and living expenses for CORMER'S representatives in connection with such tests shall be borne by CORMER.

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13 - PRODUCTION SAMPLE

13.1 GOODS manufactured in series shall be in conformity with the production sample approved by **CORMER**, and production shall not start before the SUPPLIER has received **CORMER'S** written approval of such sample, unless other informed.

13.2 The Products shall conform to the technical specifications, provisions and characteristics that are set out in the ORDER.

13.3 The Products shall furthermore conform to the quality standards and requirements that **CORMER** is entitled to expect, without explicit ORDER, subject to default rules of law and any regulations in the countries where the production, transport and/or sales of the GOODS takes place. In addition thereto, the GOODS shall always correspond to any higher standards that might follow from good and generally accepted commercial or technical market practice.

14 - MATERIAL SUPPLIED BY **CORMER**

14.1 In the event that **CORMER** supplies to the SUPPLIER any Customer Furnished Equipment ("CFE MATERIAL") specified in the ORDER, the SUPPLIER shall inspect the CFE MATERIAL visually for damage caused by transportation or storage, check the quantity, and confirm receipt of the CFE MATERIAL to **CORMER** in writing within 10 days. In case that the CFE MATERIAL supplied by **CORMER** is defective or does not conform to the quantity requirements and/or the quality and technical specifications stipulated in the ORDER, the SUPPLIER shall without delay notify **CORMER** thereof in writing.

14.2 The CFE MATERIAL specified in the ORDER may not be used by the SUPPLIER for purposes other than for the fulfillment of the ORDER. The SUPPLIER shall store and maintain the CFE MATERIAL properly and in a safe place and at all times separate from any material/products owned by the SUPPLIER or third parties and shall adequately insure it, all at his own costs and expenses.

14.3 The fact that parts of the GOODS have been supplied by **CORMER** in the form of CFE MATERIAL according to the ORDER does not release the SUPPLIER in any way from his liability and responsibility for the GOODS ordered as a whole, including the proper integration of this CFE MATERIAL, and does not affect the SUPPLIER's warranty obligations.

14.4 Any CFE MATERIAL shortage or loss must not be procured by the SUPPLIER from third parties, but only from **CORMER**, or from sources specified by **CORMER'S** Purchasing Department.

15 - COUNTERFEIT MITIGATION

15.1 SUPPLIER represents and warrants that only new and authentic materials are used in products required to be delivered to **CORMER** and that the Work delivered contains no Counterfeit/Unauthorized Parts. No material, part, or component other than a new and authentic part is to be used unless approved in advance in writing by **CORMER**. To further mitigate the possibility of the inadvertent use of Counterfeit Parts, SUPPLIER shall only purchase authentic parts/components directly from the Original Equipment Manufacturers ("OEMs"), Original Component Manufacturers ("OCMs") or through the OEM's/OCM's authorized suppliers. SUPPLIER represents and warrants to **CORMER** that all parts/components delivered under this Contract are traceable back to the OEM/OCM authorized suppliers. SUPPLIER must maintain and make available to **CORMER**, at **CORMER'S** request, OEM/OCM documentation that authenticates traceability of the parts/components to the applicable OEM/OCM. Purchase of parts/components from Non-Franchised Sources is not authorized. SUPPLIER must present complete and compelling support for its request and include in its request all actions to ensure the parts/components thus procured are legitimate parts. **CORMER'S** approval of SUPPLIER request(s) does not relieve SUPPLIER's responsibility to comply with all Contract requirements, including the representations and warranties in this paragraph.

15.2 SUPPLIER shall maintain a documented system (policy, procedure, or other documented approach) that provides for prior notification and **CORMER** approval before parts/components are procured from sources other than OEMs/OCMs or the OEM's/OCM's authorized suppliers. SUPPLIER shall provide copies of such documentation for its system for **CORMER'S** inspection upon **CORMER'S** request.

15.3 When requested by **Cormer**, Supplier shall provide documentation that authenticates traceability of the applicable authorized manufacturers utilized by Supplier to obtain all parts under this Agreement.

15.4 SUPPLIER, if supplies electronic part(s), and/or component(s), which include software as applicable, must maintain a counterfeit detection process that complies with SAE standard AS5553, Counterfeit Electronic Parts, Avoidance, Detection, Mitigation, and Disposition.

15.5 If it is determined that counterfeit parts or suspect counterfeit parts were delivered to **CORMER** by SUPPLIER, the suspect counterfeit parts will not be returned. **CORMER** reserves the right to quarantine any and all suspect counterfeit parts it receives and to notify the Government Industry Data Exchange Program (GIDEP) and other relevant government agencies. SUPPLIER shall promptly reimburse **CORMER** for the full cost of the suspect counterfeit parts and SUPPLIER assumes responsibility and liability for all costs associated with the delivery of suspect counterfeit parts, including, but not limited to, costs for

identification, testing, and any corrective action required to remove and replace the suspect counterfeit parts. The remedies in this section shall apply regardless of whether the warranty period or guarantee period has ended, and are in addition to any remedies available at law or in equity.

15.6 If the procurement of materials under this Contract is pursuant to, or in support of, a contract, subcontract, or task order for delivery of goods or services to the Government, the making of a materially false, fictitious, or fraudulent statement, representation or claim or the falsification or concealment of a material fact in connection with this Contract may be punishable, as a Federal felony, by up to five years' imprisonment and/or substantial monetary fines. In addition, trafficking in counterfeit goods or services, to include military goods or services, constitutes a Federal felony offense, punishable by up to life imprisonment and a fine of fifteen million dollars.

15.7 SUPPLIER shall flow the requirements of this section to its subcontractors and subcontractors at any tier for the performance of this Contract.

16 - AGE OR TEMPERATURE SENSITIVE MATERIAL

16.1 Each individual part of age sensitive GOODS or each container of such GOODS shall bear the clearly marked expiration date or date of manufacture with respective consumption term.

16.2 If any of the GOODS must be stored under special conditions, this shall be notified to CORMER no later than at the time of acceptance of the ORDER.

16.3 Proper storage temperature range must be distinctly marked on every container, if outside the + 15 / + 25 degrees Celsius range.

17 - QUALITY ASSURANCE/COMPLIANCE WITH LAWS

17.1 The SUPPLIER and his suppliers and subcontractors shall ascertain, through an adequate quality management system that the GOODS will be produced, inspected and certified according to the specifications set forth in the ORDER.

17.2 Failure to provide the requested quality inspection certificates may result in withholding of payments from CORMER to SUPPLIER.

17.3 Quality certificates must be issued for each production lot, but at least once for each delivery lot and must be delivered to CORMER with the GOODS.

17.4 The SUPPLIER, and the GOODS and services supplied/rendered by the SUPPLIER shall comply with all applicable laws, regulations, orders and ordinances including but not limited to regulations regarding war material (e.g. ITAR – International Traffic in Arms Regulations, or CCGP - Canadian Controlled Goods Program), and environmental and labour matters. At CORMER'S request, the SUPPLIER shall certify in writing his compliance with the foregoing. The SUPPLIER shall indemnify and hold CORMER harmless from and against any liability claims, demands or expenses arising from or relating to the SUPPLIER's non-compliance.

17.5 Collaboration in quality matters can be determined by establishing a Quality Assurance Agreement between CORMER and the SUPPLIER.

17.6 At the COMPANIES Quality Assurance discretion, each time a non-conformance is submitted by CORMER to the SUPPLIER for a non-conforming GOODS delivery, a standard penalty of 100 CND per non-conformance may be applied to the SUPPLIER. Each penalty will be processed via a debit note or directly invoiced to the SUPPLIER at CORMER convenience.

17.7 All additional costs, expenses and loss of value incurred as a result of or in connection with non-conformance or repair, replacement or other correction may be recovered from the SUPPLIER by equitable price reduction, credit against amounts that may be owed to SUPPLIER under any PO, direct invoice or otherwise.

17.8 SUPPLIER shall at the request of CORMER arrange expedite transport of the GOODS to mitigate delay. The SUPPLIER will bear all cost of shipping such GOODS back and forth, to and from CORMER, as well as any possible travel expenses and additional working hours arising from warranty work. SUPPLIER shall follow CORMER'S instructions regarding such transport. The SUPPLIER has fulfilled his obligations in respect of the defect when he delivers to CORMER duly repaired or replaced Products.

18 - WARRANTY/LIABILITY FOR DEFECTS

18.1 The SUPPLIER represents and warrants that the GOODS will conform to and comply with the requirements, specifications, drawings and samples stipulated in the ORDER, is free from any manufacturing and design defects and will be fit and sufficient for the particular use by CORMER and its end users and customers. Further, the SUPPLIER represents and warrants that, except for the CFE MATERIAL (as defined in Paragraph 14), he has good and legal title to the GOODS, free and clear of any liens, charges and encumbrances.

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18.2 The GOODS and SERVICES (if any) and their use, manufacture, sale, lease, distribution, or other commercialization do not and will not infringe, misappropriate or violate the trademarks, service marks, copyrights, patents, patent rights, trade secrets and other intellectual property rights of a third party.

18.3 SHELF LIFE ITEMS:

18.3.1 SUPPLIER shall ensure that when Goods provided under this Contract have a shelf life, that at the time of receipt at CORMER's premises, the Goods are provided to CORMER with a minimum shelf life remaining of Greater than 90%.

18.3.2 SUPPLIER shall ensure that Goods with shelf life are marked appropriately. Goods packaged in an intermediate container, must have the Packing Slip and the unit containing the Goods marked or labeled with:

- i. the shelf Life (in Days)
- ii. the manufactured date,
- iii. the cure date (where applicable - for elastomeric and rubber product),
- iv. assembly / pack date (where applicable), and;
- v. expiry date (where applicable).

18.3.3 Any shelf life Goods provided to CORMER with less than the required shelf life, as identified above, remaining or without shelf life marking or labels, shall be considered nonconforming in accordance with article 11.

18.3.4 SUPPLIER should refer to Mil-Std-129 or ISO 2230:2002(E), and Mil-HDBK-695 for guidance with shelf life Goods.

18.4 The GOODS and SERVICES (if any) will comply with all applicable local, state, provincial and federal laws and regulations. There are no warranties which extend beyond those set forth above. The warranties provided herein are given expressly and are in place of all other express or implied warranties and all implied warranties for merchantability and fitness for a particular purpose are disclaimed.

18.5 The warranty period, unless stated otherwise in the ORDER, shall be 24 months after delivery of the GOODS to CORMER'S customer, but in any case not more than 36 months after acceptance of the GOODS by CORMER. CORMER shall not be obliged to examine the GOODS subsequent to delivery, and may notify the SUPPLIER of defects at any time during the entire period of warranty.

18.6 In the event the GOODS is defective or otherwise non-conforming with the specifications stipulated in the ORDER, CORMER shall without undue delay notify the SUPPLIER of any defect which appear, where the defect is such that it may cause damage, the notice shall be given immediately. The notice shall contain a description of the defect.

18.7 At the COMPANIES Quality Assurance discretion, each time a Supplier Quality non-conformance is submitted by Cormer to the Supplier for a Supplier non-conforming Product delivery, a standard penalty of 100 CND per non-conformance may be applied to the Supplier. Each penalty will be processed via a debit note or directly invoiced to the Supplier at Cormer convenience.

18.8 The SUPPLIER will remedy the defect without undue delay and at his own cost. Repair shall be carried out at the SUPPLIER'S premises unless he finds it appropriate to have the repair carried out where the GOODS are located.

18.9 CORMER shall at the request of the SUPPLIER arrange for transport of the GOODS to the SUPPLIER. The SUPPLIER will bear all cost of shipping such GOODS back and forth, to and from the SUPPLIER, as well as any possible travel expenses and additional working hours arising from warranty work. CORMER shall follow the SUPPLIER'S instructions regarding such transport. The SUPPLIER has fulfilled his obligations in respect of the defect when he delivers to CORMER duly repaired or replaced Products.

18.10 All additional costs, expenses and loss of value incurred as a result of or in connection with non-conformance or repair, replacement or other correction may be recovered from the Supplier by equitable price reduction, credit against amounts that may be owned to Supplier under any PO, direct invoice or otherwise.

18.11 If CORMER has given such notice, and no defect is found for which the SUPPLIER is liable, the SUPPLIER be entitled to compensation for the costs he has incurred as a result of the notice. CORMER shall at his own expense arrange for any dismantling and reassembly of equipment other than the GOODS, to the extent that this is necessary to remedy the defect. Unless otherwise agreed, necessary transport of the GOODS to and from the SUPPLIER in connection with the remedying of defects for which the SUPPLIER is liable shall be at the risk and expense of the SUPPLIER. Unless otherwise agreed, the SUPPLIER shall bear any additional costs which CORMER incurs for repair and transport as a result of the GOODS being located in a place other than the destination stated in the ORDER or - if no destination is stated- the place of delivery. Defective Products which have been replaced shall be made available to the SUPPLIER and shall be his property.

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18.12 If, within a reasonable time, the SUPPLIER does not fulfill his obligations, CORMER may, by written notice, fix a final time for completion of the SUPPLIER'S obligations. If the SUPPLIER fails to fulfill his obligations within such final time, CORMER may himself undertake or employ a third party to undertake necessary remedial works at the risk and expense of the SUPPLIER. Where successful remedial works have been undertaken by CORMER or a third party, reimbursement by the SUPPLIER of reasonable costs incurred by CORMER shall be in full settlement of the SUPPLIER'S liabilities for the said defect.

18.13 The SUPPLIER is not liable for defects arising out of GOODS provided or specified by CORMER. The SUPPLIER is liable only for defects which appear under the conditions of operation provided for in the ORDER and under proper use of the GOODS. The SUPPLIER'S liability does not cover defects which are caused by faulty maintenance, incorrect assembly or installation or faulty repair by CORMER, or by alterations carried out without the SUPPLIER'S consent in writing. Finally the SUPPLIER'S liability does not cover normal wear and tear or deterioration.

18.14 The rights and remedies provided to CORMER in the TERMS AND CONDITIONS shall be cumulative with, and additional to, all other or further remedies provided in law or in the TERMS AND CONDITIONS.

19 - REMEDIES

19.1 If Supplier is in breach of the warranties set out in Paragraph 18 hereof, SUPPLIER will, at the election of CORMER, and at SUPPLIER'S sole cost (including any relevant transportation and labor costs), either replace or repair (including, if applicable, reinstall) the GOODS or re-perform the SERVICES to CORMER'S satisfaction. Except as provided in Paragraph 27 and in Paragraph 31 in relation to an indemnification claim by a third party against an indemnified party alleging the GOODS or SERVICES caused personal injury or property damage to a third party or violated a third party's intellectual property rights, the remedies set out above in this paragraph 19 shall be the sole and exclusive remedies available to CORMER for SUPPLIER'S breach of the warranties hereunder.

20 - INTELLECTUAL PROPERTY

20.1 If, in performing the ORDER, SUPPLIER provides to CORMER any intellectual property, trade secrets, work product, work of authorship, technical materials, drawings, specifications, documentation, reports, recommendations or other writings, information or material embodied in a tangible medium ("Deliverables"), such Deliverables shall be deemed to be owned by CORMER, unless CORMER expressly agrees in writing otherwise. CORMER shall be deemed the "inventor," "author," and "owner" of all Deliverables under applicable law, and SUPPLIER agrees to assign, and hereby assigns, to CORMER any and all intellectual property rights in and to such Deliverables.

20.2 The SUPPLIER will to defend, hold harmless and indemnify CORMER and its end users/customers against any claim of infringement (including patent, trademark, copyright, industrial design rights, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses in any way in relation to the GOODS including such where the SUPPLIER has provided only part of the GOODS.

20.3 CORMER'S subcontractors or CORMER'S end users/customers have the right to repair, reconstruct, or rebuild the GOODS delivered under this ORDER without payment of any royalty to the SUPPLIER.

20.4 GOODS manufactured based on CORMER'S drawing and/or specifications may not be used for his own use or sold to third parties without CORMER'S written authorization.

20.5 The SUPPLIER will treat all information provided to them as confidential, and agree not to disclose to third parties, and will use solely for the fulfillment of the ORDER, any and all technical and other information which CORMER has disclosed or may have hereafter disclosed to the SUPPLIER in connection with the GOODS and technical information created or developed specifically for CORMER by the SUPPLIER under this ORDER.

20.6 The extent that the ORDER is issued for the creation of copyrightable works, the SUPPLIER hereby assigns to CORMER all rights to such works.

21 - CONFIDENTIALITY

21.1 In the course of performing the ORDER, the SUPPLIER and/or CORMER may obtain certain information, oral or written (in whatever form), of a confidential nature (or which reasonably ought to be known as confidential) of the other party in relation to the business, operations, affairs or activities of the disclosing party and/or its affiliates ("Confidential Information").

21.2 The parties agree, unless required by a lawful court order, subpoena, or similar legal request, not to make each other's Confidential Information available in any form to any third party or to use each other's Confidential Information for any purpose other than the implementation of the ORDER.

21.3 The SUPPLIER expressly acknowledges that, by providing any Confidential Information to CORMER, or by including any Confidential Information in any GOODS supplied to CORMER, SUPPLIER is expressly authorizing CORMER to use such Confidential Information for all purposes incident to the transaction covered by the ORDER, including but not limited to future use, repair, or replacement of any GOODS provided under the ORDER.

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21.4 Each party agrees to take all reasonable steps to ensure that Confidential Information is not disclosed or distributed by its personnel in violation of the terms of this ORDER. If the receiving party is required to disclose the disclosing party's Confidential Information by a lawful court order, subpoena, or similar legal request, the receiving party shall promptly notify the disclosing party in writing of such requirement so that the disclosing party may seek an appropriate protective order.

21.5 The SUPPLIER shall not, without first obtaining the written consent of CORMER, in any manner advertise or publish the fact that CORMER has contracted to manufacture/deliver the GOODS for/to CORMER, or use any trademarks or trade names of CORMER in the SUPPLIER's advertising or promotional materials.

21.6 The undertakings set forth in this paragraph shall remain in effect also after fulfillment of the ORDER and shall survive the termination of the ORDER for whatever reason.

21.7 Each party acknowledges that failure to comply with this paragraph may irreparably harm the business of the other party, and that a breach of one party's obligations under this paragraph shall entitle the other party to seek immediate injunctive relief, in addition to any other remedies that it may have.

22 - NON-ASSIGNABILITY

22.1 In case of delegation or subcontracting, the SUPPLIER shall remain liable to CORMER for the proper and timely fulfillment of the ORDER and for compliance, by his subcontractors, with any of the TERMS AND CONDITIONS and the ORDER.

22.2 The SUPPLIER shall not be entitled to assign or pledge or otherwise encumber this ORDER or any rights or obligations arising there under to third parties without the prior written consent of CORMER.

22.3 The SUPPLIER and CORMER are independent contracting parties and nothing in the ORDER shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or create any obligation on behalf of or in the name of the other.

23 – FORCE MAJEURE

23.1 Subject to the TERMS AND CONDITIONS, SUPPLIER shall not be liable under, nor be deemed to be in breach of the ORDER for any delay, interruption, or failure in performance under the ORDER that is caused by any Act of God.

23.2 In order for SUPPLIER to be excused for any such delay, interruption, or failure in performance, SUPPLIER shall promptly give written notice to CORMER specifying the nature and anticipated duration of the Force Majeure Event, and outlining SUPPLIER's recovery plan, and shall thereafter keep CORMER informed of the status of the foregoing.

23.3 During the period of non-performance by the SUPPLIER, CORMER shall have the right to suspend its performance under the ORDER, including, without limitation, any payment obligations.

23.4 In case SUPPLIER claims force majeure as a reason for the non fulfillment of his obligations under this ORDER, CORMER is entitled to inspect with his own means or let inspect if the non-fulfillment of SUPPLIER was effectively caused by force majeure.

23.5 In case of delays in delivery due to force majeure, the delivery dates may be postponed accordingly, but only by a maximum of two months. After this two month period, CORMER is entitled at any time to cancel entirely or partly the ORDER without a penalty or cost of any kind.

24 - ANTICIPATED NON-PERFORMANCE

24.1 Notwithstanding other provisions in these conditions regarding suspension, each party shall be entitled to suspend the performance of his obligations under the ORDER, where it is clear from the circumstances that the other party will not be able to perform his obligations. A party suspending his performance of the ORDER shall forthwith notify the other party thereof in writing.

25 –ASSURANCE OF PERFORMANCE

25.1 If CORMER determines, at any time or from time to time, that it is not sufficiently assured of SUPPLIER's full, timely and continuing performance hereunder, or if for any other reason CORMER has reasonable grounds for insecurity, CORMER may request, by notice to SUPPLIER, written assurance (hereafter an "Assurance of Performance") with respect to any specific matters affecting SUPPLIER's performance hereunder, that SUPPLIER is able to perform all of its respective obligations under any Order when and as specified herein. Each Assurance of Performance shall be delivered by SUPPLIER to CORMER as promptly as possible, but in any event no later than ten (10) calendar days following CORMER's request therefore and each Assurance of Performance shall be accompanied by any information, reports or other materials, prepared by SUPPLIER, as CORMER may reasonably request. Except as to payment for accepted goods, CORMER may suspend all or any part of CORMER's performance hereunder until CORMER received an Assurance of Performance from SUPPLIER satisfactory in form and substance to CORMER.

25.2 CORMER may request one or more meetings with senior management or other employees of SUPPLIER for the purpose of discussing any request by COMPNY for Assurance of Performance or any Assurance of Performance provided by SUPPLIER. SUPPLIER shall make such persons available to meet with

representatives of CORMER as soon as may be practicable following a request for any such meeting by CORMER and SUPPLIER shall make available to CORMER any additional information, reports or other materials in connection therewith as CORMER may reasonably request.

26 - WAIVER AND RELEASE OF LIENS

26.1 Upon receipt from CORMER of amounts invoiced pursuant to paragraph 3 hereof, SUPPLIER waives and releases all rights to, and at its sole cost shall obtain the prompt removal of, any mechanics', material men's, mining or any similar lien, legal hypothec or claim fixed against CORMER or its assets, which then exist or which may thereafter arise for GOODS furnished or SERVICES performed on or before the date of the relevant invoice. All payments owed to SUPPLIER hereunder shall be contingent upon SUPPLIER providing proof of its compliance with this provision to CORMER upon request.

27 - INDEMNIFICATION

27.1 SUPPLIER agrees to indemnify and hold harmless CORMER and its parent and affiliates, and its/their officers, directors, employees and agents, from and against any claims, losses, damages or injuries of any kind or character (including, without limitation, reasonable attorneys' fees) caused by SUPPLIER'S breach of the ORDER.

27.2 SUPPLIER shall have no obligation to indemnify pursuant to this Paragraph 27 if and to the extent that the relevant claim or liability is caused by an indemnified party; provided, however, this provision shall not relieve SUPPLIER of any pro rata, proportional, contributory or other allocation of liability or fault imposed by applicable laws.

27.3 The SUPPLIER indemnify and hold CORMER harmless against all claims based on infringement of patents, design patents, trademarks or other property rights, where such claims result from the manufacture of the GOODS by using a specification, drawing, sample, pattern, special tool or other equipment provided by the SUPPLIER.

28 - INSURANCE

28.1 Without limiting SUPPLIER'S obligations or liabilities hereunder, SUPPLIER shall, at its sole expense, purchase and maintain the following insurance: (a) Commercial general liability insurance covering all liabilities for personal injury and property damage arising from the SERVICES/GOODS, with limits of liability of \$1,000,000, or of a similar value in the currency of the country of which the SUPPLIER conducts business, for each occurrence and in the aggregate; (b) Workers' compensation insurance in compliance with the applicable laws of each jurisdiction affected by the GOODS/SERVICES.; and (c) If the SUPPLIER provides professional advice or services, professional liability insurance, with limits of liability of \$1,000,000, or of a similar value in the currency of the country of which the SUPPLIER conducts business, for each claim and in the aggregate.

28.2 SUPPLIER shall provide coverage endorsements for each category of required insurance, including, except in the case of workers' compensation insurance and professional liability insurance: (i) an endorsement including CORMER and its directors, officers, employees, agents and representatives as additional insured's; (ii), an endorsement including a cross liability clause, noting that each of the parties comprising the insured shall be considered as a separate entity, the insurance applies as if a separate policy has been issued to each party, and no "insured-versus-insured" exclusion exists in the policy; and (iii) an endorsement waiving all express or implied rights of subrogation against CORMER.

28.3 SUPPLIER shall on request provide to CORMER or its designee certificates of insurance and endorsements as evidence of the insurance required under the ORDER.

29 - MISCELLANEOUS

29.1 The SUPPLIER shall not assign, delegate or subcontract the ORDER or any interest herein, including any performance or any amount that may be due hereunder, without CORMER'S prior written consent.

29.2 The ORDER, including these TERMS AND CONDITIONS and any attachments noted in the ORDER, constitutes the entire ORDER relating to the subject matter hereof and supersedes all prior and contemporaneous understandings or statements unless expressly contained herein.

29.3 If there is any conflict between these TERMS AND CONDITIONS and a provision elsewhere in the ORDER (including attachments to the ORDER), these TERMS AND CONDITIONS will prevail.

29.4 No modification or alteration of the terms hereof shall be binding unless such modification or alteration is in writing and signed by both CORMER and SUPPLIER.

29.5 Either party's waiver of any breach, or failure to enforce any of the TERMS AND CONDITIONS hereof, at any time, shall not in any way affect, limit or waive such party's right thereafter to enforce and compel strict compliance with every TERM AND CONDITION hereof.

29.6 The SUPPLIER and CORMER have agreed that these TERMS AND CONDITIONS be drafted in English.

30 - COMPLIANCE WITH LAWS, ETC

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30.1 In supplying the GOODS and SERVICES (if any), SUPPLIER will comply with and ensure that its employees, agents, contractors and subcontractors ("Personnel") comply with all applicable laws and regulations.

30.2 SUPPLIER will ensure to the extent that the SUPPLIER'S Personnel are required to enter onto CORMER'S site or property, ensure that such Personnel (i) comply with CORMER'S written health, safety and environmental policies and standards provided to SUPPLIER, and (ii) are aware that they enter onto CORMER'S site or property at their own risk.

31 - CONSEQUENTIAL LOSSES

31.1 Save as elsewhere stated in these conditions there shall be no liability for either party towards the other party for loss of production, loss of profit, loss of use, loss of ORDERS or for any consequential, economic or indirect loss whatsoever.

32 - EXCLUSION OF CONSEQUENTIAL LOSS

32.1 Neither party will be liable to the other party under the ORDER for any special, incidental, indirect, consequential, exemplary or punitive damages or losses, loss of profits or revenues, loss of opportunities, loss of goodwill or loss of capital (collectively "Consequential Loss"), with the exception of Consequential Loss caused by a party's criminal acts, fraud or willful misconduct or Consequential Loss caused by Supplier for which Supplier is required to be insured under a policy of insurance pursuant to Paragraph 26 hereof.

33 - SEVERABILITY CLAUSE

33.1 Should any part of this TERMS AND CONDITIONS be invalid for any reason, it is to be replaced with a corresponding text, which is valid and equivalent to the intended meaning. The rest of the TERMS AND CONDITIONS shall remain unaffected and valid.

34 - GOVERNING LAW AND FORUM

34.1 The TERMS AND CONDITIONS as well as the ORDER shall be subject to and governed by the law in the Province of Manitoba, Canada.