

Weldco-Beales Manufacturing

CANADIAN TERMS & CONDITIONS FOR SUPPLIERS

1. INTRODUCTION

- 1.1 These Terms & Conditions for Suppliers (the "Terms and Conditions") apply to each agreement by purchase order for the supply of goods, services, materials and or equipment to Weldco-Beales Manufacturing group of companies, with branches in Langley B.C., Edmonton Alberta, Barrie Ontario and Tacoma Washington and hence forth known as WBM in this document. These "Terms & Conditions" will cover all Canadian branches only.
- 1.2 The provisions of the Purchase Order will take precedence over all other documents followed by these Terms and Conditions.
- 1.3 In the event of a conflict or contradiction between these Terms and Conditions and a provision of another document, including a proposal from the Supplier, that is part of this agreement, the provisions of these Terms and Conditions shall govern unless otherwise expressly so stated on the Purchase Order.

2. ACCEPTANCE OF TERMS

- 2.1 The Supplier's acceptance of an order from WBM for the supply of Goods constitutes the Supplier's agreement to a binding contract and the Supplier's acceptance of all of these Terms and Conditions, except as may be specifically otherwise agreed to in writing by WBM. Such agreement supersedes and cancels all previous agreements, offers or proposals between the parties relating to the Goods, either oral or written, including offers from the Suppliers contained in the Supplier's proposal or otherwise. The Supplier's delivery of any of the Goods, or a portion thereof, without written confirmation of acceptance by the Supplier is deemed to be acceptance by the Supplier of all of these Terms and Conditions.

3. SHIPPING INSTRUCTIONS

- 3.1 A packing slip detailing the following information must accompany all shipments of Goods: (a) Supplier's name and address; (b) packing slip number; (c) WBM purchase order number; and (d) a description of the Goods shipped, including the quantities and where applicable, weight of each item.
- 3.2 Packaging and/or crating of Goods shipped to WBM shall be of sufficient quality and care to ensure the Goods will be safe, secure and will not be damaged or suffer corrosion or deterioration.

4. LOSS OR DAMAGE IN TRANSIT

- 4.1 Unless otherwise specified in writing by WBM, the risk of loss or damage to any of the Goods shall remain with the Supplier until the Goods have reached the FOB or CIF point or any other incoterm referenced on the p/o. WBM reserves the right to claim damage (where applicable) against the vendor, up to 48 hours after the receipt of goods.

5. DELIVERY

5.1 The Goods shall be delivered (Duty Paid (~DDP~)) to WBM site or other site stated on the Purchase Order. The DDP delivery term will be construed in accordance with applicable Incoterms in force on the effective date of this agreement and if there is any inconsistency between the applicable Incoterms and the terms of the Purchase Order, the terms of the Purchase Order will govern.

6. CANCELLATION

6.1 WBM may at anytime (by written notice to the Supplier) cancel this agreement with respect to Goods that (as of the date of cancellation) have not been delivered. In that event WBM will pay all reasonable costs the Supplier has incurred or has irrevocably committed to incur, with respect to the cancelled Goods. Such payment shall in no event exceed the purchase price under this agreement with respect to the cancelled Goods, and shall be reduced by any refunds or salvage available to the Supplier, plus the aggregate amount, if any, previously paid by WBM on account of the cancelled Goods.

7. QUALITY

7.1 All Goods and, as the case may be installation, shall comply with and meet: (1) any specifications or standards provided by WBM in writing relating to the Goods; and (2) all requirements of authorities having jurisdiction.

7.2 As a condition of acceptance by WBM, all Goods will be subject to inspection by WBM: (a) at the place specified for delivery or as the case may be upon installation and testing; or (b) as may be specified in writing by WBM, at the Supplier's or other premises, and if rejected by WBM in its sole discretion because the Goods do not comply with the specified quality, technical specifications and/or quality of workmanship, the Goods will, as directed by WBM, be removed and/or replaced at the Supplier's expense.

7.3 Suppliers will comply with any and all regulated programs and WBM requested quality assurance inspections, as may be specified by WBM. Suppliers will ensure that all inspection documentation is completed and signed and delivered to WBM, including any sequential inspections required with respect to the installation of Goods.

7.4 Acceptance of the Goods by WBM, including verification at any time of the quality of the Goods or any payment for the Goods, will not be interpreted to mean that WBM has in any way accepted Goods, or as the case may be the installation of Goods, that do not comply with the specified quality requirements or that the Supplier is in any way relieved from its obligation to comply with such specified quality.

8. TIME

8.1 Time is of the essence with respect to the supply of the Goods by the Supplier and all supply and delivery of Goods, including as the case may be installation, must be completed by the specified date on the p/o or conveyed dates. "Arrival date" shown on the p/o means the date the goods are delivered to specified "Ship To" address.

8.2 WBM, at its discretion, may require progress reports on the supply of Goods; the Supplier will provide the information within 24 hours of WBM's request.

8.3 Upon awareness of a potential delay in the delivery of Goods to WBM or its specified site, the Supplier shall give WBM timely communication as to any deviation that would extend the stated ship date. No notice could be cause for cancellation of the order.

9. WARRANTY

9.1 The Supplier warrants and guarantees that the Goods supplied will comply with all requirements of the Purchase Order. The Supplier specifically confirms it is aware of the intended use of all of the Goods and warrants and guarantees the Goods are reasonably fit for their intended use and are free from defects in design, workmanship, and material.

9.2 If at any time (during a parts intended useful life) the Goods as delivered fail to comply with the requirements of the manufacturer and this agreement, then the Supplier agrees to repair, replace and/or install at its own expense or at a negotiated price (if work done by others) any defective Goods or parts thereof. The manufacturer's warranty (of vendor parts purchased by WBM) is considered to start with the use of said attachment by the end user. The attachment start time is not to exceed 12 months.

10. REPRESENTATIONS AND WARRANTIES

10.1 The Supplier represents and warrants:

- (a) The Goods are free and clear of all charges, liens, claims or encumbrances.
- (b) The Supplier has full authority to pass title to the Goods.
- (c) The Goods do not contain asbestos, PCBs, Ozone Depleting Substances (including Halon) or any other banned substance in accordance with the laws of Canada and the governing Province.
- (d) The Goods do not, and will not at any point during their life cycle, pose environmental or health and safety hazards without the written consent of WBM.
- (e) Any identified hazardous/carcinogenic ingredients (according to the applicable governing agencies of Canada) in any product destined to WBM must be accompanied by a MSD sheet and WBM must be notified prior to the delivery and agree to such delivery of said goods.

If any of the Goods that are supplied by the Supplier are found to be in breach of this section then WBM shall be entitled to reject such Goods, to demand their replacement not so in breach, and the Supplier shall indemnify WBM from any costs or expenses incurred by WBM.

11. RETURN POLICY

11.1 Goods identified on any Purchase Order, which are in the original packaging and in original condition and part of the vendors standard inventory, shall be returnable for full credit, freight prepaid, and if within 120 days of purchase. A 15% restocking fee will be permissible if within 121 to 360 days. Product documentation and return for credit information shall be provided to expedite return.

12. INVOICING AND PRICE

- 12.1 The Supplier's price shall exclude all taxes, duties and other charges payable, including PST, GST and state taxes, which will be shown as separate line items. The price shall be deemed to include all freight and transportation, unless otherwise noted on the Purchase Order.
- 12.2 Each invoice shall include documents as are customary, or required by law, including a sufficient and correct description of all Goods, quantity of Goods supplied and all Invoices must reference the correct legal entity and Purchase Order number, otherwise the invoice can be deemed null and void.
- 12.3 When shipment is made from outside Canada, customs invoices in quadruplicate, certified in accordance with Canada Customs regulations, must be supplied in the manner stated in this order.
- 12.4 The Supplier will submit one original and one copy of all invoices, including all supporting documentation, no more than 7 days after receipt of Goods delivered, to the attention of Accounts Payable, to the Address as indicated on the purchase order.
- 12.5 WBM will pay invoices, net of withholdings from authorities having jurisdiction, within 25 days of the following month, on which goods were delivered. If WBM does not agree with the invoice or portion of an invoice, WBM will pay the portion it determines as owing and will include with the payment an explanation for any such invoice reduction.

13. RECORDS

- 13.1 The Supplier will retain copies of all information, calculations and data the Supplier receives or produces in supplying the Goods, and all invoices and costs records, and on request make them available to WBM. All information WBM provides to the Supplier, or which the Supplier generates in relation to the Goods, is confidential and shall not be disclosed without the other party's written approval.

14. SUPPLIERS WORKING ON-SITE

- 14.1 Prior to commencing any installation of the Goods or other work at a WBM site, the Supplier must report to WBM's front office for check in procedures and if required, then furtherance to WBM's first aid/safety facility. WBM will provide the Supplier with a briefing on site-specific safety and environmental requirements. Upon completion of this briefing, on-site Suppliers must sign the briefing log.
- 14.2 All work performed for WBM by Suppliers at a WBM Site shall be in accordance with Workers' Compensation Board (~WCB~) Canada Labour Code regulations and WBM's safe work procedures and policies. Prior to the commencement of the work, and upon completion of the work, all Suppliers shall provide to WBM (if requested) a current WCB clearance letter. The WCB clearance letters are subject to WBM's acceptance and might be required prior to payment of invoice.
- 14.3 Suppliers may not directly contact WBM customers, without written notice. All communications related to the Goods or the Supplier's work must be directed to an authorized representative of WBM. Suppliers shall not accept instructions or directions

pertaining to the performance of the work from any source other than an authorized WBM representative, without written notice.

14.4 Suppliers shall keep their work areas at any WBM site clean and tidy at all times. All hazardous materials and waste are to be clearly marked and handled in accordance with WHMIS Standards, WMG Policies, and regulatory authorities.

14.5 All documentation required by these Terms and Conditions is a condition precedent to the payment for Goods.

14.6 Any Supplier working on per diem rates must have their daily time sheet approved by an authorized WBM representative. Daily time sheets must accompany each Supplier invoice.

15. INDEMNITY

15.1 The Supplier will indemnify and save WBM harmless from and against all claims and costs of any kind whatsoever that WBM incurs or is required to pay as a result of the Supplier's negligence or breach of this agreement by the Supplier or any party for whom the Supplier is responsible.

15.2 As party to this agreement, the Supplier is required to maintain the following insurance policies:

1. Commercial General Liability, including broad form vendors liability, contractual liability, product and completed operations liability in an amount not less than CAD\$2,000,000 per accident or occurrence (or in the aggregate with respect to Product Liability). This policy will be endorsed to include WBM as an Additional Insured and provide not less than 30 days written notice of cancellation or non-renewal
2. If the use of automobiles is required for the execution of the purchase order, the supplier shall maintain Automobile Liability insurance including non-owned automobile liability insurance in an amount not less than CAD\$2,000,000
3. If the handling of environmentally sensitive material is required for the execution of the purchase order then the supplier shall maintain Environmental Impairment Liability Insurance in an amount not less than CAD\$2,000,000 and endorsed to include WBM as an Additional Insured

15.3 Certificates of insurance with respect to the insurance coverage mentioned in section 15.2 shall be provided to WBM upon acceptance of the purchase order.

16. ASSIGNMENT

16.1 The Supplier may not assign this agreement, or the proceeds thereof, in whole or in part without WBM's prior written consent.

17. REVISION OF TERMS

17.1 WBM may from time to time revise these Terms and Conditions by making additions, deletions or amendments and WBM will confirm such revisions in writing to Supplier, and delivery of any of the Goods, or a portion thereof following receipt of such revisions will, unless the Supplier delivers written objection to such revised Terms and Conditions, indicate the Supplier accepts the revised Terms and Conditions.

18. COMPLIANCE WITH LAWS

18.1 This agreement will be governed by and construed in accordance with the laws of the province that the business is carried out in and the applicable laws of Canada.

18.2 The Supplier represents and warrants that all Goods supplied or provided under this agreement shall comply with all applicable codes, statutes, by-laws, rules and regulations, of any Federal, Provincial or other competent authority, including any environmental laws.

19. SUPPLIERS QUALITY ASSURANCE SYSTEM ASSESSMENT QUESTIONNAIRE

19.1 This Purchase Order is subject to WBM's acceptance of the Supplier's response to WBM's "Suppliers Quality Assurance System Assessment Questionnaire" and/or "Supplier Certification Program", when required.

IF ANY VENDOR HAS AN ISSUE WITH ANY OF THESE "TERMS & CONDITIONS THEN SAID ISSUE/S NEED TO BE RESOLVED WITH WBM BEFORE THE PURCHASE ORDER CAN PROCEED.