



PURCHASE ORDER GENERAL TERMS AND CONDITIONS (Rev. 3 September 23, 2019)

1. **ACCEPTANCE:** This Purchase Order constitutes Buyer's offer to Seller, and becomes a binding contract on the terms and conditions set forth herein when it is accepted by the Seller either by acknowledgement or the commencement of performance hereof. No revisions of this order or any of the terms and conditions thereof shall be valid unless in writing and signed by an authorized representative of Buyer, and no condition stated by Seller in accepting or acknowledging this order shall be binding upon Buyer if in conflict with, inconsistent with, or in addition to the terms and conditions contained herein unless expressly accepted in writing by Buyer. This contract contains the entire agreement of the parties, and failure of either party to enforce any of its rights hereunder shall not constitute a waiver of such rights or to any other rights hereunder.

2. **SPECIFICATIONS:** Any manufacturing or other specifications referred to in this Purchase Order are hereby made a part of the Purchase Order.
Seller warrants that all goods furnished shall conform to Buyer's specifications where such specifications are indicated on the Purchase Order. All sellers shall purchase parts, materials, chemicals, and assemblies directly from authorized sources. Only new and authentic materials are to be supplied or used in products delivered to Buyer. No counterfeit or suspect counterfeit parts are to be delivered or contained within delivered product. Authorized Distributors shall only purchase product directly from the OEM. Parts shall not be purchased from other Authorized Distributors or Independent Distributors without written consent from Buyer. Procurement practices and documentation shall enable traceability back to the applicable OEM for each purchase transaction. Seller warrants the Goods delivered pursuant to this Agreement, unless specifically stated otherwise in this Agreement, shall (i) be new; (ii) be and only contain materials obtained directly from authorized sources; (iii) not be or contain Counterfeit Items; (iv) contain only authentic, unaltered labels and other markings; (v) have documentation that authenticates traceability to the applicable authorized source, that can be made available upon request.
All specifications, drawings, tools, jigs, fixtures materials or other items furnished by Buyer or the cost of which is charged against this Purchase Order shall be held strictly confidential by Seller and shall remain the property of the Buyer and must be returned to Buyer immediately upon request.
Seller shall notify Buyer with a minimum of 120 days should any part, component or raw material undergo modification or change to the specification (in particular, fit, form or function) which is controlled either by the Seller or the Seller's source of supply.
Seller must obtain written approval from Buyer prior to shipping of any product that does not conform to Buyer's Purchase Order requirements.

3. **WARRANTIES:** Seller warrants all goods covered by this Purchase Order to be of quality, quantity, size, description and dimensions specified and free from defects, in design, materials and workmanship, including latent defects for a period of 1 year. Such warranty shall survive delivery and include workmanship of the materials, and shall not be deemed waived either by reason of Buyer's acceptance or payment of said goods.

4. **INDEMNIFICATION:** Seller agrees to protect, indemnify and hold Buyer harmless from and against all claims for any infringement, claimed infringement, patent, copyright, proprietary data, loss, damage or injury (including death) allegedly caused by any Product purchased under this Agreement (except in respect of any of the same resulting or arising from Products manufactured and supplied by Seller in accordance with drawings and related specifications or other items provided by or on behalf of Buyer to Seller or to the extent not caused by misuse, abuse or other fault directly attributable to Buyer or its customer.)

5. **ASSIGNMENT:** Seller may not assign, transfer, or subcontract this Purchase Order or any right or obligation hereunder without Buyer's written consent.
6. **TERMINATION:** Buyer may terminate (by written or electronic notice to Seller) the Purchase Order for its convenience in whole or in part, at any time prior to shipment. Upon receipt of such termination notice, Seller shall promptly comply with the directions contained in such notice and shall as required, a) take action necessary to terminate the work as provide in notice, minimizing costs and liabilities for the terminated work and b) continue performance of any part of the work not terminated by Buyer. Buyer and Seller shall negotiate reasonable termination charges which will be identified by Seller within 7 days of notice of termination by Buyer.
7. **CHANGES AND ALTERATIONS:** Buyer reserves the right at any time to issue a change order or amendment (written or electronic) to the Purchase Order concerning any of the following; a) specifications, drawings, and data incorporated in the Purchase Order where the items to be furnished are to be specifically manufactured for the Buyer; b) quantity; c) methods of shipments or packaging, d) place of delivery; or e) any other matters affecting this Purchase Order. No revisions of change order or amendment shall be valid unless in writing and signed by an authorized representative of Buyer. Any change in costs will be mutually agreed upon by Buyer and Seller.
8. **COMPLIANCE WITH LAWS:** Seller has and will comply with all laws and regulations of federal, provincial state and local governments, as applicable from which because of non-compliance by the Seller, liability may accrue to Buyer. Seller agrees to indemnify Buyer for any liability imposed on Buyer resulting from such non-compliance by seller.
9. **CONFIDENTIALITY:** Seller agrees to hold all information provided by Buyer , in either written or any electronic format, including but not limited to, design information, drawings, specifications, reports, requests for quotation or proposals, customer information or the like in strictest confidentiality. No dissemination of any information is permitted without explicit written consent of the Buyer.
10. **FORCE MAJEURE:** Neither party shall be liable for damages because of delays in failure of performance required under this Agreement when such delay or failure is due to acts of God, acts of civil or military authority, fire, flood, strikes, war, epidemics, shortage of power, or other cause beyond such party's reasonable control and without its fault or negligence, provided that such party (a) uses best efforts to promptly notify the other in advance of conditions which will result in any such delay in or failure of performance, and (b) uses best efforts to avoid or remove such conditions, and (c) immediately continue performance whenever such conditions are removed.
11. **INSPECTION:** Payment of invoice shall not constitute acceptance of goods covered by this Purchase Order and shall be without prejudice to any and all claims of Buyer against Seller. All goods covered by the Purchase Order shall be subject to Buyer's inspection and approval within a reasonable time after delivery. If specifications are not met, warranties are breached or the goods shall be nonconforming to this Purchase Order in any way such goods may be returned to Seller at Seller's expense, including transportation charges for return and replacement. Buyer, in addition to its other remedies at law or hereunder, shall have the right to have rejected goods replaced, or not, at Buyers option and at the purchase price stated in the Purchase Order and also the right to accept such part of any shipment which conforms to this Purchase Order and reject any part not conforming to this Purchase Order, and to consider the Purchase Order breached to the extent of the rejected material. Buyer and/or Buyers Customer reserves the right to audit upon reasonable notice Sellers quality and process control procedures for any product supplied to Buyer.
12. **PRICE AND TERMS OF PAYMENT:** Invoices shall be dated no earlier than the date of shipment or delivery of service. If applicable the discount period begins upon receipt of invoice, otherwise Buyer will pay all invoices within forty-five (45) days after receipt of invoice. All packages, invoices, correspondence, customs documentation, bills of lading, and packing slips must have the complete Purchase Order number prominently displayed and packing slips must accompany all shipments.
13. **TAXES:** Unless otherwise provided herein, all prices shown on the Purchase Order are deemed to include all taxes and duties levied in respect to the goods ordered hereunder. If the Buyer is exempt from certain taxes Buyer shall provide proof upon request.

14. **DELIVERY:** Time is of the essence of all Purchase Orders. If any shipment or delivery is made which is not in all respects in accordance with the provisions of this Purchase Order or the delivery schedule, the Buyer shall be entitled to reject any shipments or deliveries not then made and cancel this Purchase Order without any liability to Buyer. Each delivery shall be accompanied by a packing slip specifying the exact quantity and description of the delivery and shall contain the Purchase Order assigned to said delivery. All applicable Customs documentation must accompany each shipment. Unless otherwise specified all shipments shall be CIF Seller's dock.
15. **PACKAGING AND CRATING:** No charges will be allowed for boxing, crating or cartage unless otherwise stated herein. The Seller shall properly package the goods covered by the Purchase Order in order to prevent damage and the Buyer may reject items that are not properly packaged.
16. **ENVIRONMENTAL:** Seller shall provide products and services with appropriate considerations to reduced levels of toxicity, end of life disposal, shipping efficiencies and the overall environmental impact. All products and services supplied shall be compliant with ROHS, REACH and SVHC regulations.
17. **CONFLICT MINERALS:** Seller shall ensure reasonable efforts are in place to prevent the sourcing of "Conflict Minerals" as outlined in Section 1502 of the Dodd- Frank Wall Street Reform and Consumer Protection Act.
18. **ENTIRE AGREEMENT:** Unless superseded by a Supply Line agreement between the Buyer and Seller, this agreement shall include the Purchase Order, these General terms and Conditions, and all attachments referred to in the Purchase Order and it shall constitute the entire agreement of the Buyer and Seller with regards to the subject matter contained herein. All other prior representations, warranties, covenants, or agreements between Buyer and Seller with respect to the subject matter are hereby superseded.
19. **GOVERNING LAW:** This agreement shall be governed and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. The parties submit to the non-exclusive jurisdiction of the Courts of Ontario. The parties hereby expressly exclude the application of the United Nations Convention on Contracts for the International Sale of Goods.
20. **LANGUAGE:** The parties have expressly requested and required that this agreement and all other related documents be drawn up in the English language.
21. **SUPPLIER CODE OF CONDUCT:** HPS's Supplier Code of Conduct sets forth the minimum requirements placed on HPS suppliers of goods and services related to workplace standards, business practices and environmental responsibilities. The Supplier declares the following:
 - A. **Compliance with Laws**
 - Personnel and operations shall operate in full compliance with the laws of the applicable legal system(s) within their respective countries
 - B. **Child Labor**
 - Shall not employ any workers under the age of 15 or, in those countries under the ILO Convention 138 to employ no workers under the age of 14
 - C. **Respect for Basic Human Rights of Employees**
 - Shall not use any indentured or forced labor, slavery or servitude
 - Will respect the personal dignity, privacy and rights of the individual
 - Will not tolerate any unacceptable treatment of employees such as, mental cruelty, sexual harassment or discrimination
 - Shall promote equal opportunities for and treatment of its employees regardless of skin colour, race, nationality, religion or political conviction, disability, sexual orientation, sex or age
 - Plants shall set working hours, wages and overtime pay in compliance with applicable laws

- Respect the right of the employees to join any lawful organization including, trade unions and work councils, and shall comply with all applicable local and national laws pertaining to freedom of association and collective bargaining

D. Health and Safety of Employees

- To take responsibility for the health and safety of its employees
- To control hazards and take the best reasonably possible precautionary measures against accident, injury and occupational diseases
- Will provide health and safety training to all employees

E. Environmental Protection

- To act in accordance with the applicable statutory and international standards regarding environmental protection
- To minimize environmental pollution and make continuous improvements in environmental protection

F. Anti-Corruption

- HPS is committed to complying with anti-corruption laws that prohibit bribes, kickbacks, or other corrupt actions to obtain or retain business or obtain any improper advantage. All suppliers are expected to comply with applicable anti-corruption laws while conducting business with or on behalf of HPS

G. Supply Chain

- To use best efforts to promote among its suppliers compliance with this Code of Conduct