

PURCHASE ORDERS - TERMS AND CONDITIONS

1. **Packing and shipping** - All items shall be suitably prepared and packaged for shipment so as to secure lowest possible transportation rates and to meet carriers and MCC quality requirements. Buyer will not allow extra charges for packing, cartage or any incidental charges unless stated on MCC Purchase Order. Seller shall mark the Purchase Order number on the package with each shipment and enclose a packing slip. Packing slip must include MCC part number, description and quantity. Seller shall submit invoices, shipping documents, and copy of packing slip to Buyer on day shipment is made.
2. **For U.S. shipments to Canada** - A commercial invoice from each supplier is required with the following minimum information required: Complete description of goods, HS Code (Harmonized System) for Commodity Classification, Country of Origin, currency, quantity shipped, unit price and invoice total. This commercial invoice must be faxed to the consolidator for MCC.
3. **For specific routing instructions** - Contact Buyer who will provide a copy of MCC routing instructions.
4. **Pricing** - Vendor pricing and scheduled shipping date must be confirmed by fax or email within two (2) working days. Price increases will not be accepted without written consent from MCC. If there are any discrepancies from invoice and Purchase Order the Confirmed Purchase Order shall preside and differences shall be deducted from the Seller's invoice. For any price changes where contract pricing is applicable, sixty days (60) notice is required before expiration date.
5. **Delivery Schedule** - The "Required Date" shown on the Purchase Order is the MCC required arrival date. Seller must ship in advance of this date, allowing for transit time. Seller shall follow the required date as shown on this order or shall indicate change in date by confirmation copy to Buyer within two (2) working days of receipt of order. Failure to meet delivery schedule without due notice of a minimum two (2) weeks notice will result in Seller paying additional freight charges if deemed necessary by Buyer in order to avoid the shut down of production lines. If Seller does not agree with this statement MCC reserves the right to cancel the Purchase Order without liability to Buyer. The Seller shall be allowed a window of three days prior to required date for receipt of shipment at MCC dock. Seller shall not be liable for delays in delivery due to causes beyond its reasonable control provided Buyer is given sufficient notice.
6. **Seller Performance Targets** - Seller must meet the MCC Performance Targets for Quality, Delivery and Warranty (reference MCC Supplier Requirements Manual for additional information - contact Buyer who will provide a copy of the MCC Performance Target set annually. Any charges incurred by MCC due to vendor failure to meet required date and/or quality non-conformance (including field failures within warranty period) will be applied against Seller account.
7. **Environmental Compliance** - Seller must ensure that all parts sold to MCC meet ROHS (Restriction of Hazardous Substance) Regulation directive restricting the presence of certain Substances in products sold in Europe as per MCC SQEE STD 100-0002 - Free from Listed Prohibited Chemicals and MCC SQEE STD 100-0003 - Chemical Substances whose content shall be limited.
8. **Inspection** - Seller agrees to permit the Buyer's Inspectors to have access to the Seller's plant at all reasonable times for the purpose of inspecting any items set forth on this order, or work in process for the production of such items. All items are subject to final inspection and approval at Buyer's plant or other place as designated by Buyer in writing. Such Inspection shall be made within reasonable time after delivery, irrespective of the date of payment. Buyer may return rejected items at Seller's expense with consent by both parties or items may be scrapped with Seller's written approval.
9. **Changes** - Buyer may make changes in drawings, specifications, quantities, delivery schedules or methods of shipment or packing on any item any time. If such changes result in delays, or the increase or decrease in expense to Seller, an equitable adjustment of price and delivery schedules will be made with an amendment to this order. The Buyer in writing must approve changes by Seller in design, specification requirements, prices, delivery date(s), or other terms and conditions of the Purchase Order. MCC has a strict **No Change** requirement and requires advance notification of change to design, materials, sub-suppliers, processes that are made after the product has been released for delivery to MCC. Change histories shall be available to MCC when requested.
10. **Drawings, Specifications and Technical Information** - Drawings, data, designs, inventions, and any other technical information supplied by Buyer shall remain Buyer's property and shall be held in strict confidence by Seller. In such cases a non-disclosure agreement is available from the Buyer to be signed by the Seller agent.
11. **Over-shipments** - Over shipments not in excess of 5% or \$15.00, whichever is smaller are authorized unless otherwise stated.
12. **Buyer's Property** - All tools, jigs, molds, patterns, equipment or material and other items purchased, furnished, charged to or paid for by Buyer, and any replacement thereof, shall remain the property of the Buyer. Such property shall be plainly marked as "Property of MOBILE CLIMATE CONTROL". Seller shall not substitute other property for Buyer's property and shall not use such property except in filling Buyer's order without written consent from Buyer. Seller shall hold such property at its own risk and, upon Buyer's request shall re-deliver the property to Buyer in the same condition as originally received by Seller, reasonable wear and tear excepted.
13. **Taxes** - Federal, State, Provincial or Local Taxes of any nature, which are billed to Buyer, shall be stated separately in Seller's invoice.
14. **Warranty** - Seller warrants that all items shall be free from defects of material workmanship, shall conform to drawings and specifications and shall be merchantable quality and fit for the purpose for which it was purchased. Such warranties, together with all other service warranties and guarantees of Seller shall run in the favor of the Buyer and its customers.
15. **Assignments and Subcontracting** - This order may not be assigned by Seller nor shall a subcontract be made with any other party for furnishing any of the completed or substantially completed articles, spare parts or work herein contracted for, without written approval of Buyer.
16. **Patent Indemnity** - To the extent the subject items are not manufactured pursuant to design specified by Buyer, Seller shall indemnify and hold Buyer and its agents and customers harmless from any loss, damage, or liability for infringement of Canadian and United States patent rights with respect to such items and shall at its own expense defend any action in which such infringements are alleged with respect to the manufacture sales or use shall not apply to any infringement arising out of use in combination with other items where such infringement would not have occurred from the normal use for which the article was designed.
17. **Termination** - If Seller becomes insolvent or makes an assignment for the benefit of its creditors, or if a petition in bankruptcy is filed by or with respect to Seller, Buyer may, by notice in writing, terminate this order without liability except for items already delivered. Buyer may terminate this order at any time by notice in writing to Seller. In such latter event Buyer shall pay such cancellation charges as may be agreed upon. In the event of failure to reach such agreement, Buyer will be liable for such sum as may lawfully be owing to Seller on account of such termination. The provisions of this paragraph shall not limit or affect the right of the Buyer to terminate this order for the default of the Seller.

MOBILE CLIMATE CONTROL PURCHASING DEPARTMENT
TELEPHONE 905-482-2750

18. **Compliance with Law**– Seller agrees to comply with all applicable local/state/provincial and Federal laws, executive orders and regulations issued pursuant thereto, furnish certificates of compliance on request, indemnify Buyer against loss, cost, liability or damage by reason of Seller's violation of this paragraph.