



O.E.M. Remanufacturing Company Inc. 13315-156 Street  
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## TERMS AND CONDITIONS

1. This Purchase Order constitutes the entire agreement between the Purchaser and the Seller with respect to the goods, material, and equipment (herein called the "Goods") to be delivered hereunder or with respect to any work or services (herein called the "Services") to be performed hereunder, or to both, as the case may be, and no other terms and conditions which the Seller has submitted or may submit to the Purchaser shall in any way or under any conditions apply. In the absence of any other acceptance by the Seller of the terms and conditions hereof, shipment by the Seller of the Goods or performance by the Seller of the Services shall constitute such acceptance.
2. This Purchase Order may not be changed, amended or varied in any way whatsoever without the written consent of the Purchaser.
3. The price or prices set out on the face hereof shall exclude GST, PST and HST but include all other taxes, duties and costs of whatsoever kind not expressly imposed by law on the Purchaser, unless otherwise specified herein. Unless otherwise specified herein, the Purchaser shall pay the Seller the price or prices set out on the face hereof (plus applicable GST and PST) on or before the later of: (a) 45 days after the Purchaser has accepted the Goods or Services pursuant to Section 5 below; and (b) 45 days after the Seller has delivered an invoice to the Purchaser in respect of this Purchase Order. The Seller agrees that the Purchaser may set-off from the amount payable by the Purchaser to the Seller under this Purchase Order any amount owing by the Seller to the Purchaser.
4. Time shall be of the essence of this Purchase Order. In addition to any other remedy or remedies which the Purchaser may have, the Purchaser reserves the right to cancel this Purchase Order in whole or in part if delivery of the Goods or performance of the Services is not made by the time and in the manner stipulated herein. If this Purchase Order is cancelled in whole or in part due to the foregoing, the Purchaser shall not be obliged to pay any cancellation charges unless it has otherwise agreed, in writing, to do so.
5. The Goods and Services are subject to inspection and acceptance by the Purchaser within a reasonable time after receipt of the Goods or completion of the Services. Unless otherwise specified herein, title and risk in and to the Goods and Services shall pass from the Seller to the Purchaser upon acceptance of the Goods or Services, as applicable, by the Purchaser pursuant to this Section 5. The Purchaser will notify the Seller in writing of its rejection of the Goods or Services or any part thereof not in accordance with the description or specifications stipulated herein. Rejected Goods or items on which Services have been performed may then be returned, at the Seller's cost, to the Seller or may be stored by the Purchaser, at the Seller's risk, for disposition by the Seller but at the Seller's expense for all costs, including storage costs incurred as a result of such rejection and storage.
6. The Goods or items on which Services have been performed shall be properly packaged by the Seller for shipment to the Purchaser at the location specified on the face hereof and, unless otherwise specifically provided on the face hereof, the purchase price of the Goods and Services shall include all costs of packaging. Damage to the Goods or to items on which Services have been performed resulting from improper packaging or otherwise shall be charged to the Seller and may be deducted by the Purchaser from the purchase price of the Goods or Services.
7. Over Shipments and unauthorized substitutions shall be for the Seller's account and in the event the Seller requests work or items on which Services have been performed to be returned, all expenses incurred by the Purchaser in connection therewith shall be for the Seller's account.
8. All plans, drawings, specifications, information, patterns, dies, tools and other property supplied by the Purchaser, and any information or use derived therefrom, shall be kept confidential by the Seller and shall not be used by the Seller except for the purpose of supplying the Goods to or performing the Services for the Purchaser. All such plans, drawings, specifications, information, patterns, dies, tools and other property shall remain the property of the Purchaser and shall be immediately returned by the Seller to the Purchaser upon request. The Seller agrees, if requested by the Purchaser, to properly execute and return to the Purchaser any license or similar agreement the Purchaser may request in connection with the Seller's use or possession of such plans, drawings, specifications, information, patterns, dies, tools or other property.

9. The Seller may not assign the whole or any part of its obligations arising hereunder without the prior written consent of the Purchaser.

10. The Seller represents, warrants, covenants and agrees to and with the Purchaser that the Goods delivered or the Services performed hereunder do not infringe any valid patent, copyright or trade mark, foreign or domestic, owned or controlled by any other person and agrees to indemnify and save harmless the Purchaser against any and all liabilities, losses, damages, claims and expenses (including any and all legal fees and costs on a solicitor-client basis) which the Purchaser may be required to pay or which the Purchaser may at any time sustain by reason of any claim, action or litigation arising out of any alleged or actual infringement of any patent, copyright or trade mark, foreign or domestic, resulting from the use or sale by the Purchaser of the Goods or the Services. The indemnity contained in this Section 10 shall survive the acceptance of the Goods and the Services, as the case may be, by the Purchaser in accordance with Section 5 above.

11. Unless otherwise specified herein, the Seller represents and warrants to the Purchaser that: (a) the Goods will be, at the time of acceptance by the Purchaser, new and of merchantable quality; (b) at the time of acceptance by the Purchaser, the Seller will have good and marketable title in and to the Goods, free and clear of all liens, charges, security interests and encumbrances of any kind; (c) the Goods and the Services are fit for the particular purpose or use for which they are purchased by the Purchaser; and (d) the Goods and Services will be free from any defects in material, workmanship or design. In particular, but without limiting the foregoing, the Seller agrees that for a period of twelve (12) months from the date upon which the Goods or items on which Services are performed are used or are put into operation (unless otherwise specified in writing prior to the delivery of the Goods or completion of the Services) the Seller shall replace and install, entirely at the Seller's expense, the Goods or the items on which Services are performed or any part or parts thereof which may prove to be defective as aforesaid. The warranties set out in this clause are in addition to any and all warranties of the Seller arising by operation of law or otherwise and nothing herein contained shall be construed as limiting or restricting any warranties not herein contained.

12. The Seller shall indemnify the Purchaser against any and all claims, losses, expenses, penalties, damages and liabilities of whatsoever kind (including any and all legal fees and costs on a solicitor-client basis) which the Purchaser may at any time be required to pay for personal injuries (including death) and or property damage suffered by any person or which the Purchaser may at any time sustain by reason of the supply of the Goods or the performance of the Services by the Seller or any defect whatsoever therein or by the negligence, fault or breach of this Purchase Order of or by the Seller, its employees, servants, contractors and agents. The indemnity contained in this Section 12 shall survive the acceptance of the Goods and the Services, as the case may be, by the Purchaser in accordance with Section 5 above.

13. The Seller shall at all times comply fully with all applicable laws, regulations, ordinances and governmental orders. Seller shall at all times pay or caused to be paid when due any assessment or contribution required to be paid pursuant to workers' compensation legislation or similar legislation in force from time to time in the province, state or territory in which the Goods are made or in which the Services are performed and upon failure to do so, the Purchaser, in addition to any other rights reserved to it hereunder or at law, may retain the amount of such assessment or contribution from any payment whatsoever then due or becoming due by the Purchaser to the Seller. In addition, the Seller shall indemnify the Purchaser against any and all claims, losses, expenses, penalties, damages and liabilities of whatsoever and (including any and all legal fees and cost on a solicitor-client basis) which the Purchaser may at any time be required to pay or which the Purchaser may at any time sustain by reason of the failure of the Seller to pay such assessment or contribution when due. The indemnity contained in this Section 13 shall survive the acceptance of the Goods and the Services, as the case may be, by the Purchaser in accordance with Section 5 above.

14. This Purchase Order shall be governed by and construed in accordance with the laws of Alberta and any proceedings taken by either party in respect of or in connection with this Purchase Order shall be taken exclusively in Alberta (except that any party may enforce in any jurisdiction any judgment or order so rendered) and the Seller hereby irrevocably submits to the exclusive jurisdiction of the Courts of Alberta.