

	3900, boul. du Tricentenaire Montréal, Québec, Canada H1B 5L6	<b>TERMS AND CONDITIONS / TERMES ET CONDITIONS</b>	<b>TAE134-F06</b>
			<b>Rev. 03</b>
<b>Original Date Released</b>		<b>November 25, 2013</b>	<b>Page 1 of 2</b>

**Tekalia acceptance of a purchase order is strictly limited to the terms and conditions defined in this document unless an LTA exist between Tekalia and the intended Customer, in which case the LTA terms will take precedence. Reception of a purchase order by Tekalia expressly implies acceptance of these terms and conditions. No order cancellations shall be accepted, unless agreed to in writing by Tekalia. Unless accepted otherwise in writing by Tekalia, terms defined by the Customer, as well as any additions, changes or modifications to this quotation or PO proposed by the Customer will be rejected.**

**Credit.** Tekalia's acceptance of a purchase order is always subject to credit approval.

**Payment.** The terms of payment shall be net fifteen (15) days after the date of Seller's invoice. Seller reserves the right, among other remedies, either to terminate this contract or to suspend further deliveries upon failure of Buyer to make any payment pursuant to this contract or any other agreement between the parties hereto. If, in the judgment of Seller, Buyer's financial responsibility becomes impaired, Seller may refuse to deliver except for cash on delivery or, at Seller's option, prepayment of the total price; and Seller may demand immediate payment in full for all services performed or articles previously delivered hereunder. A late charge of one and one half percent (1 1/2%) per month (but not in excess of the lawful maximum) will be imposed on all past due balances, prorated on a daily basis for each day that payment is due.

**PO Surcharge:** Each PO will be subject to an administration and environmental surcharge of \$75 CAD.

**Minimum Orders:** All PO will respect the minimum order pricing of \$250 CAD, or will be automatically raised and invoiced to the minimum charge.

**Scope of work.** The process listed into the quotation represent our understanding of the scope of work, therefore prices provided are strictly limited to the process listed. Any extra work requirement shall be reported for evaluation and review. Price breakdown, if any, are valid only for the totality of the scope of work and cannot be taken separately. All documents related to the parts for processing shall be provided prior to processing. Quotation is based on the document provided any revision or modification might be subject to price adjustment.

**Non recurring cost (NRC).** Non recurring cost shall be paid upfront at least one (1) month prior the First Article Inspection (FAI). Failure to this requirement will cause extra delay to the FAI turnaround time (TAT).

**Liability.** Tekalia's responsibility shall end with the carrying out of the processing instructions provided in the Purchase Order. Because of the difficulties inherent in electroplating and metal finishing, in the event that the results of Seller's services are unsatisfactory due to metal imperfections, changes in grade or composition of materials, original manufacturing and/or fabrication imperfections, uses for which the plating or other finishing operation was not reasonably designed, or similar variables over which Seller has no control. Buyer shall pay in full the prices for the services performed, and no liability shall attach to Seller, regardless of the results. Where Seller's services, including any operations or processes performed by Seller, are in the nature of "salvaging" parts or materials, such work will be performed on a "reasonable efforts" basis. Buyer shall pay in full the prices for the services performed, and no liability shall attach to Seller, regardless of the results. Where Seller's services, including any operations or processes performed by Seller, are requested by Buyer quicker than the quoted Lead Times ( TAT ), such work will be performed on a "reasonable efforts" basis. Buyer shall pay in full the prices for the services performed, as well as any applicable expedite fees, and no liability shall attach to Seller, regardless of the results. In no event Tekalia will be liable for a third-party claims or consequential damages of any kind sustained from any cause or arising out of any legal theory.

**"Force Majeure".** The Customer acknowledges that Tekalia shall not be held responsible for the non-performance of its obligations hereunder, to the extent that such non-performance or breach is due to a case of "force majeure", provided that Tekalia shall take all reasonable measures to avoid, or to cause such non-performance not to continue, once such case of force majeure shall have ceased or has been suppressed. For the purposes hereof, a "case of force majeure" shall include, without limitations, any fire, or other loss or accident, natural disaster, serious bad weather, war or other act of violence, ordinance, proclamation, settlement, claim, or requirement of any governmental or judicial body, as well as any other action or condition, of any kind whatsoever, which is reasonably outside of Tekalia's control, including any service interruption or shut-down attributable to the occurrence of such events or circumstances.

**Turnaround time (TAT).** Unless otherwise specified in a long term agreement contract, specified TAT remains a best-effort objective. Not meeting a specified TAT will not be considered by Tekalia as a contractual fault leading to any form of liability. TAT might be subject to change after completion of FAI. Turnaround time clock starts at the acceptance of the PO and the reception of the parts. Tekalia has no control on Prime delays for approval; therefore it cannot impact on the specified TAT.

**Delivery.** All deliveries are EXW (Incoterms 2010). The Customer shall be responsible for all loading and transport fees and risk, and shall retain title and risk of loss for all part provided to Tekalia, unless otherwise specified in a long term agreement contract.

**Warranty.** Parts processed by Tekalia shall be considered as accepted and satisfactory by the Customer if Tekalia is not notified of damages, shortages or other discrepancies due to Tekalia workmanship within 15 days of shipment. Unsatisfactory material/parts must be returned at Customer's cost to Tekalia for rework. Any further processing or assembly by Customer or any other party automatically transfers the liability to the Customer. No additional guarantees shall be provided by Tekalia with respect to the processes and scope of work of this quotation.

**Intellectual Property (IP).** Tekalia will keep all information and property obtained from Customer in connection with this quotation and identified as confidential or proprietary. Unless expressly authorised herein or otherwise by Customer in writing, Tekalia will use such information and property, and the features thereof, only in the performance and for the purpose of this quotation.

Background IP shall mean all IP Right already owned or controlled by Tekalia prior to the effective date of this quotation or generated or acquired at any time independently from the performance of this quotation. Title to the Background IP as well as any tooling, processing method and programming shall remain sole property of Tekalia.

Foreground IP shall mean all IP generated or acquired either by Tekalia in connection with the performance of this quotation. Title to all Foreground IP shall remain sole property of Tekalia.

**Quality issues.** Tekalia required a yearly 1% scrap allowance applied on purchase order unless otherwise specified in writing. Tekalia's responsibility shall end with carrying out of the instructions and processing requirements. In the event of a non-conforming product requiring an employee from Tekalia to travel, the incurring expenses shall be covered by the customer. Should Tekalia be deemed as being not liable in regards to the non-conformity, incurred expenses shall include travelling, evaluation, validation tests and any required processing.

**Devise.** Quotation provided in another devise than Canadian dollar (CAN) is based on the exchange rate at the moment of the quotation. Any variation in exchange rate of 5% might be subject to a price adjustment.

**Raw material.** HVOF pricing is subject to raw material (Fuel and powder) price fluctuations. Price will be set upon reception of the Purchase Order based on material market price. Tekalia Aeronautik will absorb fluctuations of  $\pm$  5%.

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**Insurance.** Insurance policy detail available upon request.

**All pricing provided are for a period of 30 days. Pricing of any purchase order received after said 30 day period may be reviewed by Tekalia.**