

PURCHASE ORDER TERMS & CONDITIONS

The terms of the purchase order, these terms and conditions and any riders and signed documents referred to in the purchase order, (collectively, the PO), constitute the entire agreement between A. G. Simpson Automotive Inc./ A.G. Simpson (USA), Inc., as the case may be (AGS) and Supplier relating to the subject matter of the purchase order and supersede any prior agreements. The PO, including without limitation, any changes to pricing, may be modified only by a written agreement signed by AGS and Supplier. Any references in the PO to Supplier's quotation or other documentation prepared by Supplier relating to the subject matter of the PO is for information only and AGS hereby rejects all terms and conditions proposed by or set out by Supplier therein. Any performance by Supplier under the PO constitutes acceptance by Supplier of these terms.

These terms apply to the PO unless modified or waived on the face of the PO. The terms on the face of the PO and these terms shall, to the extent possible, be interpreted consistently. In the event of conflict, terms on the face of the PO prevail.

Changes: AGS reserves its right to change quantities, delivery schedules and/or specifications upon notice to the Supplier. If such changes affect cost or timing, AGS may at its discretion equitably adjust the price or time for performance where Supplier's direct costs are materially affected after receipt of such supporting documentation as AGS may require.

Length of Term: Under no circumstances will an order automatically renew or continue.

Delivery: Time is of the essence. Deliveries shall be in quantities and at times set out in releases issued by AGS. AGS may change the rate of or temporarily suspend scheduled shipments, and the Supplier shall not be entitled to any change in the prices(s) set out herein. AGS does not guarantee any amounts to be set out in releases. All delivery dates reflect the date the product is to be delivered at AGS designated delivery point. Any premium costs associated with meeting this requirement are the responsibility of Supplier, unless otherwise authorized in writing by AGS. ALL shipments made after the required delivery date MUST be by expedited carrier as defined by AGS and ALL costs associated with any such shipments are the responsibility of Supplier. AGS shall not be obligated to accept any late delivery.

Delays: If at any time Supplier has reason to believe that deliveries will not be made on time, written notice setting forth the cause and length of the anticipated delay will be given immediately to AGS. During such delay, AGS may at its option buy the goods from other sources and reduce its schedules to Supplier by such quantities, without liability to Supplier, or have Supplier provide the goods from other sources in quantities and at times requested by AGS and at the price(s) set forth in the PO.

Labour Disputes: Supplier will notify AGS immediately of any actual or potential labour dispute delaying or threatening to delay timely performance of this order, and will include all relevant information to AGS. Supplier will notify AGS in writing at least (6) six months in advance of the expiration of any current labour contract(s). If requested by AGS, Supplier will deliver a supply of finished goods at least thirty (30) days prior to the expiration of any such labour contract, in quantities and for storage at any place or places designated by AGS at Supplier's expense.

Quality: AGS may inspect and reject defective goods within a reasonable time after delivery. Notwithstanding prior payment, incoming transportation costs of such goods will be charged to Supplier. AGS may, at its option, at Supplier's expense, return defective goods or scrap such goods internally for credit or reimbursement, or rework defective goods at the greater of the actual cost of such rework and AGS's standard charges for such rework. If defective goods provided by Supplier directly result in AGS incurring any costs, including without limitation the cost of downtime in a facility of AGS or a customer of AGS, Supplier will compensate AGS for such costs at the greater of the actual cost incurred by AGS and AGS's standard charges for such costs and AGS shall be entitled to debit Supplier's account for such costs. At AGS's option, it will be Supplier's responsibility to replace any defective product at its sole cost and expense and to pay to AGS any incremental costs incurred by AGS associated with such defective product. If AGS holds defective goods, it will do so on Supplier's instruction at Supplier's risk. If Supplier fails to give written instructions within 10 days of receiving notice from AGS that AGS is holding defective goods, AGS may charge Supplier for storage and handling or dispose of the goods without liability to Supplier.

Quality Systems: By accepting the PO Supplier agrees to comply with any and all industry quality standards (including without limitation TS16949, QS 9000 and ISO 9000, as amended or superseded) and upon receipt of reasonable

prior notice, to provide full access to AGS in order to conduct audits of Supplier's Order Processing system in keeping with such standards.

Right to

Audit: AGS shall have the right, during regular business hours (except in the case of emergency, in which case AGS shall have the right at any time), to inspect all or part of any facility of the Supplier where goods which are the subject matter of the PO are, in whole or in part, manufactured, assembled, shipped or sequenced and all processes of the Supplier related to the supply to AGS of such goods. If AGS wishes to inspect a facility or processes of the Supplier, it shall provide not less than one (1) business day's prior notice, and the notice shall identify the facility, the areas or the processes to be inspected. Supplier shall provide AGS with access to its facilities to conduct such inspection and Supplier shall cooperate fully with AGS in the course of any such inspection.

Packaging: Each package shall be clearly identified with AGS' PO number, AGS' part number, and contents quantity (or weight where appropriate).
Packaging to follow Supplier's standard practice unless otherwise indicated on the purchase order or on a Material Specification Sheet
All material to be shipped in a manner that protects the material from outside elements.
All items to be packaged without use of any waste products. Wood and paper shroud is not acceptable.
Individual packages are limited a 30 lb. weight restriction. Any packages in excess of 30 lbs. must receive prior written approval of AGS and be shipped on skids and be lift truck accessible.

Shipping

Documents: All Packing Slips, Bills of Lading and Customs Documentation must clearly show the PO number and release number if assigned.

Invoicing and Payment:

Each invoice shall clearly show the detail on the PO including as a minimum, AGS' PO number (and release if applicable), PO item number, AGS' part number, unit price, extended price, shipment date and bill of lading number. All payments shall be made in the currency specified on the face of the Purchase Order and no interest shall be paid on any overdue amounts.

In addition to any right of set-off or recoupment provided by law, AGS may, without notice, set-off against or recoup from any amounts owed to Supplier or Supplier's related or affiliated companies amounts that AGS claims are owed to AGS or to AGS's related or affiliated companies by Supplier or Supplier's related or affiliated companies. If any obligations of Supplier or its related or affiliated companies are disputed, contingent or unliquidated, AGS may defer payment of amounts due until such obligations are resolved.

Cash

Discount: If invoices are subject to cash discount, the discount period begins when AGS receives the invoice. If Supplier fails to attach necessary documents to the invoice the discount period will not begin until AGS receives such documents.

Intellectual Property

Supplier represents and warrants that use or sale by AGS of any material supplied hereunder will not infringe on any patent, trade-mark, license, copyright or other industrial design, intellectual property or proprietary right and agrees to indemnify and save AGS harmless from any costs, damages, claims or expenses (direct or indirect) arising from any such infringement or alleged infringement. Supplier expressly waives any claim that any infringement arose from compliance with AGS's specifications. AGS or its subcontractors may repair or rebuild goods supplied under the PO without payment of any kind to Supplier. Parts manufactured based on AGS's drawings and/or specifications may not be used for Supplier's own use or sold to third parties without AGS's prior written consent. Supplier will not assert any claim with respect to technical information that Supplier may disclose in connection with goods supplied under the PO.

Confidentiality and Non -

Disclosure Supplier will keep all AGS Information (as defined below) confidential. Supplier shall not disclose any AGS Information to any other person, or use any AGS Information other than for the purpose of supplying goods and services to AGS under the PO, without the prior express written consent from an authorized employee of AGS. AGS retains all rights with respect to the AGS Information, and Supplier shall not acquire, nor attempt to obtain, any patent, trademark, copyright, license or other rights in respect of the AGS Information.

Supplier shall not allow any AGS Information to be reproduced, communicated or in any way used, in whole or in part, in connection with services or goods furnished to others, without the prior express written consent from an authorized employee of AGS. "AGS Information" means all information furnished by AGS, including without limitation, pricing, specifications, drawings, designs, engineering instructions, photographs, reproducible copy, parts lists, plans, reports, working papers, computations, samples and prototypes, and also includes any information relating to the PO (whether prepared by AGS, Supplier or any other person).

Equipment and other Property:

Unless otherwise expressly agreed to by AGS in the PO, Seller shall supply at its own expense all equipment, tools, jigs, dies, fixtures, patterns, drawings, specifications, samples, materials, and facilities required to perform its obligations under the PO (the "Supplier Owned Property"). Supplier hereby grants AGS an irrevocable option to take possession of and title to the Supplier Owned Property that is special for the production of the goods to be supplied under the PO, upon payment to Supplier of its net book value less any amounts that AGS has previously paid to Supplier for the cost of such items; provided, however, that this option shall not apply if the Supplier Owned Property is used to produce goods that are the standard stock of Supplier or if a substantial quantity of similar goods are being sold by Supplier to others.

Notwithstanding any other provision of the PO, Supplier acknowledges and agrees that all parts, components, assemblies, equipment, materials, tools, moulds, layouts, models, jigs, dies, fixtures, patterns, designs, sketches, blueprints, drawings, specifications, samples, engineering data, technical or proprietary information special appliances, other equipment or material, facilities, and any reproductions and replacements thereof, any materials affixed or attached thereto, that are furnished to Supplier or paid for, in whole or in part, by AGS, including by AGS's customer, (all items above, collectively the "AGS Property"), shall remain the property of AGS and be deemed a bailment. The AGS Property, while in Supplier's custody or control and while in the custody or control of Supplier's suppliers, contractors or agents, shall be held at Supplier's risk, shall be kept insured by Supplier at Supplier's expense against loss or damage in an amount equal to the replacement cost thereof, and shall be subject to removal at AGS's written request. Supplier shall promptly notify AGS of the location of the AGS Property, if any are located any place other than Supplier's facility. Unless otherwise expressly stated in the PO, Supplier shall maintain accounting and property control records for AGS Property in accordance with sound industrial practices. Supplier shall, at Supplier's expense, maintain the AGS Property in good condition and repair, and shall replace any of the AGS Property if, as and when necessary or reasonably required. Upon completion or termination of the PO, Supplier shall retain on a bailment basis for AGS, the AGS Property still then in the physical possession of Supplier, at Supplier's expense, until directions are received from AGS. Supplier shall allow AGS to take possession of the AGS Property at any time, which includes the right to enter onto Supplier's premises or to require Supplier to pack and ship the AGS Property (which packing and shipping shall be at Supplier's expense in the case of a termination of the PO by AGS for a breach by Supplier) to a destination selected by AGS; Supplier waives its own rights to any mechanics lien statute or mouldmaker lien statute (or similar lien statute) and shall indemnify and hold harmless AGS from any third party claim, including any claim arising out of any mechanics lien statute or mouldmaker lien statute (or similar lien statute). The AGS Property shall be in no less than the same condition as originally received by Supplier, reasonable wear and tear excepted.

NAFTA: Supplier is obligated to annually provide AGS with all appropriate Certificates of Origin to satisfy NAFTA requirements. Supplier will be responsible for any costs or penalties relating to Supplier's failing to provide certification or providing fraudulent certification.

Custom Documents: For shipments crossing the border into or out of Canada, Supplier is responsible for providing in quadruplicate with each shipment, all necessary documentation required for each shipment. AGS is responsible for the clearance of goods based upon said documents and Supplier will be responsible for any costs associated with inadequacies in these documents. Without limitation, it is Supplier's responsibility to provide the correct tariff classification of goods supplied under the PO. If AGS incurs any costs or losses as a result of an inaccurate tariff classification, such costs or losses shall be paid by Supplier to AGS and AGS shall be entitled to debit Supplier's account for such costs or losses. Supplier shall make all necessary arrangements for goods to be covered by any duty deferral or free trade zone program of the country of import.

Inspections: AGS and AGS's customer or customer's representatives may inspect and/or test the goods at any time at its own expense and Supplier, at no charge, will make its premises available for this purpose and provide any necessary assistance to make the procedures safe and convenient. No inspections and/or tests by AGS will

relieve Supplier of its obligations to inspect and test the goods. In addition to any other remedies it may have, if AGS finds any goods to be defective or not in conformity with its specifications or requirements, it may return them for a refund of the purchase price, require Supplier to repair or replace them, or rework or repair them itself or through third parties, and Supplier will reimburse AGS for all resulting costs.

Warranty: Supplier represents and warrants that goods supplied hereunder will conform to AGS's specifications, drawings, samples or other description provided from time to time and will be

- i) fit for the purposes intended,
- ii) merchantable,
- iii) of good material and workmanship and free from defect and shall comply with all other warranties implied or provided by law.

Supplier knows AGS's intended use and warrants that all goods supplied hereunder are designed, manufactured or assembled by Supplier based on AGS's intended use and will be fit and sufficient for that purpose. Supplier will reimburse AGS for all damages (direct or indirect) which AGS may incur if Supplier breaches these warranties. The warranty period shall be the longer of that provided by applicable law and that offered by AGS to its customers.

Documentation: All documentation including data, drawings and designs which are generated by Supplier further to its obligations under the PO, whether in electronic form or otherwise, may not be used by Supplier other than in connection with the PO and shall become the property of AGS immediately upon payment by AGS of any amount under the PO. Supplier shall furnish to AGS, without restrictions on disclosure, all such information, documents, data or other materials.

Compliance

With Law: In fulfilling its obligations hereunder, Supplier, its employees, agents, representatives and contractors and any goods provided hereunder shall at all times comply with all applicable laws, orders, ordinances, rules and regulations.

Save

Harmless: Supplier hereby agrees to indemnify and hold AGS, its affiliates, their directors, officers, employees, agents and customers ("Indemnitees") harmless from any loss, liability, claim, cost, demand, expense, action and all other obligations and proceedings including without limitation all judgments rendered against, and all fines and penalties imposed upon Indemnitees, and all legal fees and any other costs of litigation ("Liabilities") arising out of warranty claims, product recall claims, product liability claims, injuries to persons, including death, or damage to property caused by Supplier, its employees, agents, subcontractors or in any way attributable to the performance of Supplier, including without limitation breach of contract, breach of warranty or product liability; provided however, that Supplier's obligation to indemnify AGS will not apply to any liabilities solely arising from AGS's negligence.

Without limiting the foregoing, Supplier shall pay any costs incurred by AGS, including costs charged by its customers as a result of Supplier's failure to comply with any provision of this PO, including without limitation, shipping or delivery requirements and AGS shall be entitled to debit Supplier's account for such costs.

Assignment or Sub

Contracting: Supplier shall not assign or subcontract any portion of the PO without the prior written consent of AGS.

Hazardous

Substances: Supplier agrees to promptly furnish to AGS :

- (i) upon written request a list and description of all ingredients in materials purchased hereunder, including ingredients which could reasonably be considered pollutants, contaminants, chemicals, deleterious substances or industrial toxic or hazardous wastes or substances; and
- (ii) thereafter information concerning any changes in such ingredients.

Termination: AGS may terminate the PO at any time in whole or in part for any reason without bonus by written notice to the Supplier. After receipt of a written notice of termination, Supplier shall, unless directed otherwise by AGS in writing, immediately terminate all work under the PO and shall, unless otherwise directed by AGS in writing where the PO has been terminated for default of Supplier, transfer title and deliver to AGS:

- (i) all completed work which conforms to the requirements of the PO and does not exceed the quantity specified in releases issued by AGS for a maximum period of 12 weeks; and
- (ii) all reasonable quantities (not exceeding amounts specified in releases issued by AGS for a maximum period of 12 weeks) of work-in-process and materials produced or acquired in connection with the work terminated which cannot reasonably be used by Supplier in producing supplies for itself or other customers.

Upon termination by AGS of the PO, AGS shall pay to Supplier in accordance with the PO, except where the PO has been terminated due to default of Supplier, the following without duplication:

- (i) the PO price for goods or services which have been completed in accordance with the PO and not previously paid for; and
- (ii) the actual costs of the work-in-process and materials transferred to AGS as contemplated above.

In no circumstances shall AGS be liable to Supplier, directly or for claims by Supplier's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation or general or administration burden charges from termination of the PO. Within 30 days of the effective date of termination, Supplier shall submit a comprehensive termination claim to AGS, with sufficient supporting data to permit AGS's audit and shall promptly furnish any additional information AGS requests. AGS shall have access to Supplier's premises and records prior or subsequent to payment to verify charges supporting a termination claim. If Supplier fails to submit its termination claim with the 30 day period referred to above, AGS may determine, on the basis of information available to it, the amount if any due Supplier with respect to the termination and such determination shall be final. If Supplier delivers any other material after termination, AGS may return the material and debit Supplier for any cost related thereto.

Remedies: AGS may cancel the PO in whole or in part without liability or further obligation: (i) on 10 days written notice if Supplier breaches any provision of this PO; and (ii) immediately on written notice if there is a material adverse change in the financial condition of Supplier, including without limitation if Supplier (A) admits its inability to pay its debts as they become due or otherwise acknowledges its insolvency; (B) institutes or has commenced against it any proceeding seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, dissolution, winding up, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization, or compromise of debts or other similar laws; (C) has a receiver, trustee, agent, custodian or other similar official appointed for it or a substantial part of its assets; or (D) ceases or threatens to cease carrying on business in the ordinary course. In addition, AGS may avail of any other remedy in the PO and those available at law or equity. All such remedies are cumulative. AGS's failure to resort to any remedy is not a waiver of any default or remedy.

Customer Contact: AGS is responsible for all contact with its customer regarding the goods to be supplied under the PO. Supplier (including its affiliates) may not contact AGS's customer regarding such goods unless specifically authorized by AGS in writing. Unless Supplier has been authorized to deal directly with AGS's customer, Supplier (including its affiliates) shall respond to any inquiry from AGS's customers by requesting that the inquiry be directed to AGS, and Supplier shall simultaneously advise AGS of the inquiry.

No Publicity: Supplier shall not, and shall require that any Subcontracts shall not, cause or permit to be released any publicity, advertisement, news release, public announcement, or denial or confirmation of same, in whatever form, regarding any aspect of the PO, the goods to be supplied thereunder or the program to which the PO pertains, without AGS's prior written approval.

Additional Requirements: AGS's website may contain additional requirements for certain items covered by the PO, including quality and rules for subcontractors. Any such requirements shall be deemed to form part of the PO and are binding on Supplier. AGS may periodically update such requirements by posting revisions thereto on its internet website and, in such event, AGS will notify Supplier of such updates and revisions. In the event of conflict between the terms contained in these terms and conditions and such additional requirements, these terms and conditions shall prevail. You may visit AGS's website at www.agsautomotive.com.

Waiver of

Compliance: The waiver by AGS of any breach or threatened breach or failure to insist upon strict compliance with the obligations under this PO shall not act as a waiver of or estoppel with respect to any subsequent or other breach or threatened breach.

Severability: If any provision, clause or phrase of these terms and conditions shall, for any reason and to any extent, be deemed by any court of competent jurisdiction to be invalid or unenforceable, the remainder of these terms and conditions and the application of every other provision, clause or phrase to AGS and Supplier shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Governing Law: The PO shall be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein. For greater certainty, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to this PO. Any legal proceeding related in any way to the PO shall be commenced in a court in Ontario. The parties consent to the exclusive jurisdiction of such court as their freely negotiated choice of forum for all such legal proceedings. Any legal proceeding related to the PO filed by Supplier against AGS shall be brought within two (2) years after the cause of action arises.