



Purchase Order Terms and Conditions

1. Purchase Order is Exclusive Agreement

This Purchase Order ("Order"), together with all documents, drawings, specifications, and terms and conditions set forth herein and/or attached shall form the exclusive agreement between Foremost Universal LP. (by its general partner Universal Industries (Foremost) Corp) ("FULP") and the Seller. Any alterations, amendments or supplements are conditional to the Seller obtaining prior approval in writing from FULP or other authorized representative of FULP. The Seller's quotation is incorporated in and made part of this Order only to the extent that such items and conditions are consistent with the terms or condition of this Order. Either the Seller's written acceptance of this Order or the shipment of any article or commencement of any work hereunder shall constitute unqualified acceptance of this order and no contrary or additional terms or conditions shall apply. This Order shall govern in the event of conflict with any terms or conditions of the Seller's proposal, or any other document relevant to the sale contemplated herein.

2. Health and Safety

The Seller shall supply, in printed form, all relevant product safety and health information that pertains to all machinery, equipment, goods and services supplied at the time of delivery of said machinery, equipment, goods and services.

3. Quality Requirements

Goods and services provided by the Seller under this Order will comply with FULP quality standards defined solely by this Order and or its amendments and any other documents, drawings or information contained and or referenced herein. Any exception must be approved in writing by FULP prior to its implementation.

4. Warranty, Guarantee, Compliance

The Seller shall warrant the design, goods, workmanship, and title hereunder as free from defects and conforming in all respects in the Order and to the specifications, drawings, samples or description(s) furnished by the Seller. Seller shall comply and ensure compliance of the Seller's employees, subcontractors, or agents with all applicable federal, provincial, state and local laws, rules and regulations and in the case of Seller's access to FULP's manufacturing plant, those safety and security regulations imposed by FULP. All goods supplied under this Order shall be merchantable, fit and sufficient for the purpose intended.

5. Indemnification

Seller shall be responsible for and shall save harmless and indemnify FULP from and against all losses, costs, suits, claims and demands of every nature whatsoever arising out of or by reason of performance or purported performance hereunder by the Seller, including without limitation of the foregoing, those made or sustained in respect of property damage, personal injury (including death) and infringement of copyright, trademark or patent of invention that may happen or occur in connection with the use and sale of articles furnished by the Seller.

6. Insurance

Seller shall carry insurance at Seller's expense as hereinafter set forth. Seller shall promptly furnish FULP with satisfactory evidence upon request that it has complied with this provision and failure to request same shall not operate as a waiver hereof. Failure to maintain said insurance shall constitute sufficient grounds for immediate cancellation or suspension of this Agreement by FULP.

- a. Seller shall, without limits to its obligations or liabilities herein, obtain and continuously carry during the term of this order, including any guarantee period, at its own expense and cost the following insurance with limits not less than those shown in the respective items:
 - i. Employer's Liability Insurance and Contingent Employer's Liability covering each employee engaged in the work of services hereunder to the extent of Five Hundred Thousand (500,000) Dollars where such employee is not covered by Worker's Compensation.
 - ii. Automobile Liability Insurance covering all motor vehicles, owned or non-owned, operated and/or licensed by the Seller and used in the work services hereunder with a bodily injury, death and property damage limit of Two Million (2,000,000) Dollars Inclusive and
 - iii. Comprehensive General Liability Insurance with a bodily injury, death and property damage limit of Two Million (2,000,000) Dollars inclusive.

7. Pricing and Payment

Prices herein specified shall be Canadian Dollars and will include all applicable taxes, duties, packaging and loading which either party is expected to pay with respect to the goods and services specified hereunder. Standard payment terms will be net thirty days, following the date of correct invoice receipt by FULP. Discounted payments for invoices, where discount terms exist, shall be executed based on the date the invoice is received by FULP or at the arrival and final inspection of goods or services specified at FULP's plant, and a satisfactory determination of quality is made rendering the goods and service fit for use, whichever is later.

8. Inspection, Observation, Rejection

FULP shall have the right to inspect and test the goods at any time during manufacture, or prior to shipment and to final inspection within a reasonable time after the arrival at the ultimate destination. The goods shall not be deemed accepted until after final inspection. The making, or failure to make any inspection of, or payment for, or acceptance of the goods shall no way impair FULP's right to reject non-conforming goods, or to avail itself of any other remedies to which FULP may be entitled. FULP's

personnel and/or authorized representatives, including related jurisdictional authorities shall be allowed access to the Seller's plants and to those of its sub-suppliers for the purposes of inspection and observation of progress towards completion of Order. FULP reserves the right to approve or disapprove the use of specified or unspecified sub-suppliers.

9. Non - Waiver

Failure of FULP to insist upon strict performance of any of the terms and conditions hereof or to exercise any rights or remedies provided herein or by law or to properly notify Seller in the event of breach, or the acceptance of payment for any goods or services hereunder, or approval of any design shall not release Seller of any warranties or obligations of this Order, notwithstanding any previous custom, practice or course of dealing to the contrary.

10. Confidentiality

All information which the Seller receives or acquires from FULP either in writing, orally, or through observation of FULP's operations, and in the course of the Seller's fulfilling its obligations hereunder, shall be held by the Seller in confidence at all times. Accordingly, Seller shall ensure that all recipients of the said information, including the Seller's own employees, assume obligations identical in principle with those which the Seller assumes under this clause.

11. Assignment

Any assignment of this Order or any rights hereunder or hypothecation thereof in any manner in whole or in part by operation of law or otherwise shall be null and void without the express written consent of FULP.

12. Changes and Termination

FULP may, by oral or written revision, make changes to the Order including, without limiting the generality of the foregoing, additions or deletions from the quantities or termination of the entire Order. Acceptance of goods hereunder shall not bind FULP to accept future shipments, nor deprive FULP of the right to return goods already received. If any such change affects the amount due or the time of performance under this order and/or Seller's costs, an equitable adjustment shall be made between Seller and FULP as to any work or material then in progress, provided that no such adjustment be made in favor of the Seller to any goods delivered here under.

13. Transportation

The Seller shall ship collect via the most economical appropriate method, if carrier and/or routing is not specified by FULP. If freight charges are for FULP's account, if routing is not specified by FULP, freight classification or tariff description used shall correspond with the description shown on the Bill of Lading. Invoiced charges for prepaid transportation in excess of fifty dollars (\$50) and as authorized by FULP must be accompanied by a copy of the carrier's billing.

14. Venue

The interpretation of this Order and the rights of the parties hereto shall be construed under and governed by the laws of the Province of Alberta, Canada, and the federal laws of Canada as they apply.

15. Ownership of Drawings, Design, Technology

Unless authorized by FULP, ownership of any documents, including specifications on drawings and technologies resulting thereof, and/or other proprietary information or equipment, including jigs, fixtures, tooling or other, supplied by FULP or produced by Seller upon request of FULP, shall rest with FULP.

16. Publicity

Use of FULP's name by the Seller for the purposes of advertising or solicitation of business without the prior written consent of FULP is expressly forbidden.

17. NAFTA Requirements

The Seller must, on demand, be able to provide documented proof of the origin of the goods (origin being as defined in Article 401 of the North American Free Trade Agreement) that are being sold to FULP Industries Inc. If said proof is requested and the Seller is unable to provide documented evidence supporting the origin of the goods, FULP reserves the right to hold the Seller liable for incurred duties as result of unsubstantiated origin of goods.

18. Delivery Tolerance

In the event of a Seller's failure to deliver as and when specified, FULP reserves the right to cancel this Order, or any part thereof, without prejudice to its other rights, and Seller agrees that FULP may return part or all of the shipment so made and charge Seller with any loss or expense incurred as a result.