

Bombardier Transportation

STANDARD TERMS AND CONDITIONS TO PURCHASE ORDER

1. Differing Terms and Condition of Sale. As an offer, this Purchase Order ("PO") expressly limits Seller's acceptance of it to the terms contained herein and Buyer hereby gives notice of its objection to and shall not be bound by any different or additional terms or conditions to those contained in this PO, whether negotiated or standard, and whether contained in any of Seller's forms, acceptances, responses to this PO, or otherwise. If this PO is construed as an acceptance of Seller's offer, this acceptance is expressly conditioned on Seller's assent to any additional or different terms to such offer that may be contained in this PO. This PO incorporates by reference all terms of the Uniform Commercial Code providing protection for Buyer including, without limitation, all express and implied warranties and all remedies of a buyer as found in the Uniform Commercial Code. Buyer's awarding of this PO to Seller is expressly conditioned on Seller's assent to the terms and conditions detailed herein. Receipt by Buyer of the attached Acknowledgement which has been signed by Seller (either manually or in the manner outlined in Article 25 of this PO) constitutes assent by Seller to all of the terms and conditions of this PO. The terms and conditions of this PO are intended to be the entire and fully integrated agreement of the parties which supersede any prior or contemporaneous agreements or correspondence between Buyer and Seller whether written or oral concerning the subject matter of this PO and may not be supplanted or explained (interpreted) by any evidence of trade usage or course of dealing. However, any terms or conditions that appear on the front side of the PO shall have precedence over these Standard Terms and Conditions. No waiver of, amendment, modification, or addition to, any terms or conditions of this PO shall be binding unless they appear in a written Change Notice issued by Buyer which is signed by authorized signatories of Buyer and Seller. If any term or condition of this PO is invalid, illegal, or unenforceable, in whole or in part, such term or condition or part thereof shall be deemed not to form part of this PO, but the remainder of the terms and conditions of this PO shall remain in full force and effect. This PO is for the sale of goods and/or services which are described on the front side of the PO. Such goods and/or services are hereinafter referred to as the "Work.". No Work shall be performed by Seller and no amount shall be payable to Seller for any Work performed by Seller unless Seller has signed and returned to Buyer an Acknowledgement form that is provided by Buyer with the PO.
2. Assignment/ Subcontracting. Seller shall not assign this PO without the prior written consent of Buyer and the rights of any permitted assignee shall be subject to all set-offs, counterclaims, and other comparable rights arising hereunder. Any assignment by Seller without such written consent shall be null and void. Seller shall also not, except in the case of raw materials, standard commercial items, and as may otherwise be agreed in writing by Buyer, delegate or subcontract all or substantially all of the Work to be supplied hereunder.
3. Substitutions/Extras. No substitutions of materials may be made without Buyer's prior written consent. No charges for extra work will be allowed unless such extras have been ordered in writing by Buyer and the price and time for delivery have been agreed.
4. Information. All designs, drawings, specifications, and other information furnished by Buyer to Seller shall be deemed to be confidential and proprietary and have been furnished to Seller solely for the performance of this PO. Seller shall not disclose Buyer's information to any third party or use Buyer's information for any purpose other than for performance under this PO without the prior written authorization of Buyer. All such information shall also be subject to any separate confidentiality or non-disclosure agreement that may have been agreed between Buyer and Seller. The foregoing shall apply notwithstanding the presence of any contrary statement on any of such information provided by Seller. This Article 4 is in addition to provisions concerning the parties' Intellectual Property rights as provided in Article 14. Buyer shall have the right to audit records, reports, and documents of Seller and its sub-suppliers, relating to this PO. Such rights shall survive for ten (10) years after the date of the last delivery under this PO and the obligation to keep such records, reports, and documents shall equally apply for those ten (10) years.
5. Terms of Payment. The date of payment shall be computed from the later of (a) Buyer's receipt of an acceptable invoice; and, (b) Buyer's receipt of the Work in correct quantity, together with any required documents, in good order. Drafts of documents will not satisfy this requirement.
6. Compliance with Laws. Seller's performance of Work shall be in accordance with all applicable executive orders; federal, state, municipal, and local laws; ordinances; rules; court orders; requirements; and, regulations. Seller agrees that no gift, loan, or other thing of value has been, or will be, given to any employee, agent, or officer of Buyer in connection with the award of performance of this PO. It is further understood and agreed that no employment will be offered to any employee, agent, or officer of Buyer by Seller during the term of this PO.
7. Title. Title to the Work shall pass from Seller to Buyer upon delivery of such Work to a facility designated by Buyer in the PO.

8. Inspection and Testing. All Work in progress shall be subject to inspection and testing at all times and, when practicable, during manufacture as Buyer may direct. If any inspection or test whether preliminary or final is made on Seller's premises, Seller shall furnish, without charge, all reasonable facilities and assistance for safe and convenient inspections and tests required by Buyer's inspectors. All inspections and tests shall be performed in such manner as will not unreasonably delay the Work. Buyer shall have the right to charge any additional cost of inspection and testing when Work is not ready at the time inspection is requested by Buyer. Seller shall perform the Work within, and in respect to, tolerances and limitations specified on drawings and specifications covering the Work and shall perform such tests as are specified, unless prior deviation therefrom is authorized in writing by Buyer. Work shall be subject to final inspection by Buyer after receipt of it by Buyer at its final destination. If Work supplied or performed by Seller is defective or otherwise not in accordance with the terms or conditions of this PO, Buyer shall have the right to reject such Work and either require the prompt correction thereof by Seller, or correct the defect itself, at Seller's sole risk and expense. Buyer may charge back to Seller ("Back charge") for the cost of any corrections that Buyer undertakes, as well as additional costs of inspection and testing as noted immediately above in this Article. If correction of such Work is impracticable, Seller shall bear all risk for such defective Work and shall, at its own expense, promptly make all necessary replacements. If Seller fails to make such replacements promptly, Buyer may procure alternate replacements and Back charge to Seller all costs and expenses incurred by Buyer therefor. Final inspection and acceptance by Buyer shall be conclusive except for latent defects, fraud, misrepresentation, or such gross mistakes as amount to fraud or misrepresentation, or for any rights provided under any warranty. Any acceptance by Buyer shall not relieve Seller of its responsibility to ensure that the Work is in accordance with all terms and conditions of this PO.

9. Changes. Buyer shall have the right, from time to time, by its written Change Notices, to make changes or additions, within the scope of this PO, in or to (a) the drawings, specifications, or instructions for the Work; (b) the quantity; and/or, (c) the time or method of delivery. Should any change so ordered cause a material increase or decrease in the cost of, or the time required for, the performance of any part of the Work (such that the critical path would be affected), an equitable adjustment shall be made in the PO price and/or time for performance. Seller shall, however, as a condition precedent to any right to such adjustment, submit its written claim for adjustment to Buyer within twenty-eight (28) calendar days after its receipt of Buyer's Change Notice or after any event or circumstance caused by Buyer which constitutes a material change to the PO Price or time for performance (such that the critical path would be affected). Seller shall, unless written instructions to the contrary have been received from Buyer, proceed with the Work as changed without interruption and without awaiting settlement of any objections or claims relating thereto.

10. Delivery. "Delivery" means the Work is physically present at its final destination in accordance with this PO, has been fully completed, and has successfully satisfied any testing requirements as referenced in this PO. Time is of the essence. The delivery date(s) in this PO have been agreed upon by both Buyer and Seller. If for some reason Seller is unable to meet the agreed dates of delivery and an air courier or some other method of transportation not specified by Buyer at the time of placement of the PO has to be used to meet the delivery date(s), it shall be the Seller's responsibility to use such other means of delivery and to pay any additional transportation costs without recourse to Buyer. The above stipulation does not apply to a material delivery date which has been changed by Buyer from the original or previously changed date unless the Seller, after agreeing to meet the changed date, is unable to meet that date. In the event Seller fails to deliver Work in accordance with the dates specified in the delivery dates on this PO, Buyer shall be entitled to liquidated damages of two (2) % of the total value of the Work per commenced week of delay which shall be in addition to any other remedies of Buyer concerning such delay. Delay in delivery will be excused only if: (a) such delay is due to strike, fire, wind, storm, riot, act of God, or other unforeseeable cause beyond the reasonable control and without the fault or negligence of Seller; and, (b) Seller shall have notified Buyer in writing of the existence of such cause within five (5) calendar days after Seller knew or should have known that such cause would result in a delay in delivery. No delivery hereunder shall be made more than seven (7) calendar days prior to the agreed upon delivery date, and Buyer shall have the right to return earlier deliveries at Seller's sole risk and expense and to Back charge Seller for any additional costs sustained by Buyer thereby.

11. Termination/Cancellation. (a) Buyer shall have the right to terminate this PO in whole or in part by written notice whenever it deems such termination to be in its best interest. In the event of any termination, other than a termination for default of Seller, and only in such event, if Seller at the time of such termination shall have in stock or on firm order, any raw, semi-processed, or completed materials for use in fulfilling this PO, then (i) in the case of completed materials that cannot be used by Seller for satisfaction of other orders, Buyer may either require delivery of all or any part of the completed materials and make payment therefore at the PO price or without taking delivery thereof pay Seller the

excess, if any, of the PO price over the market price at the time of termination; and, (ii) in the case of raw or semi-processed materials that cannot be used by Seller for satisfaction of other orders, Buyer may either require Seller to complete and deliver all or any part of such materials at the PO price, or without taking delivery thereof pay Seller with respect to such raw or semi-processed materials which are properly allocable to this PO, the excess of the proportion of the PO price based on the stage of completion of such materials over the market value of such materials gauged at such stage of completion; and (iii) in the case of materials which Seller has on firm order for use hereunder that cannot be used by Seller for satisfaction of other orders, Buyer may either take an assignment of Seller's rights under such order or pay the reasonable costs, if any, of settling or discharging Seller's obligations under such order. (b) The preceding Article 11(a) shall not limit any legal rights of Buyer to cancel this PO and recover any damages occasioned thereby by reason of default by Seller. Buyer shall also have the right to cancel this PO without liability for articles not accepted by Buyer in the event Seller commits any act of bankruptcy, files or has filed against it a petition under the Federal or State Bankruptcy Acts, suffers any receivership or other similar petition to be filed for or against it, or makes a general assignment for the benefit of its creditors. In the event Seller is in breach of any obligation under this PO, Buyer shall be entitled to withhold payments otherwise due to Seller under this PO or any other agreement signed by the Buyer and the Seller until the breach is rectified. Without prejudice to any other right or remedy of the Buyer, the Buyer reserves the right to set off any amount owed to it by the Seller (including, without limitation, any liquidated damages incurred by the Seller) against any amount due to be paid by the Buyer to the Seller.

12. **Warranty.** Seller expressly warrants that the Work to be delivered or performed hereunder will comply with the specifications, drawings, and other descriptions set forth or incorporated by reference herein, will be free from defects in workmanship and material, will be merchantable, and will be fit for such purposes as are expressed in, or reasonably inferable from, the specifications, drawings, or other descriptions which are a part of this PO for a period of thirty-six months after the date of delivery by Seller or twenty-seven months after such items are first put into service, whichever first occurs, unless a different warranty period is specifically set forth in a superseding provision of this PO. If Seller provides replacement or corrected Work pursuant to this Article 12, this warranty will restart on the date of the replacement or correction.

13. **Liens.** Seller shall deliver the Work to Buyer free and clear of all liens, claims, and encumbrances and shall sign all documents that may be requested by Buyer to be signed in order to evidence the same.

14. **Intellectual Property Rights ("IPR").** IPR shall mean any form of intellectual property right in any part of the world relating to the design or any element of such design or the Work whether existing as at the date of the PO or brought into existence after that date; including, but not limited to, patents, copyrights, trademarks, design rights, and trade names, whether registered or applied for. Any IPR developed by Seller specifically for the Work under this PO ("Foreground IPR") shall become the property of Buyer when delivered to Buyer as part of the Work and Seller shall transfer and assign all copyright, trademark, inventions, discoveries, developments and all other Foreground IPR to Buyer at such delivery and for a period of two years after termination of this PO, Seller shall execute all necessary documents to transfer/assign such ownership to Buyer all at no additional charge to Buyer. Seller hereby grants to Buyer a non-exclusive, irrevocable, perpetual, royalty free license (with the right to grant sub-licenses and to be transferable) to use any IPR that has been generally developed by Seller outside of the Work and which is used in the Work ("Background IPR") for the operation, maintenance, and repair of the Work and shall procure such grant of any IPR owned by a third party necessary for Buyer to use such IPRs indicated in this Clause 14. No ownership rights are granted by this PO, either expressly or by implication, by Buyer to Seller in Buyer's IPR or in any IPR applications prepared prior to or after the date of this PO. Seller shall ensure that all of its employees and agents who will perform any of the Work are bound by the provisions of this Clause 14 to the same extent as Seller is so bound.

Except as provided below in this Article (14), Seller shall indemnify, defend, and hold harmless Buyer from all costs, losses, damages, and expenses resulting from a claim or lawsuit for infringement of IPR brought against Buyer or its vendees, based upon the Work purchased hereunder. Buyer shall indemnify Seller, to the same extent and in the same manner set forth above as Seller would indemnify the Buyer, to the extent the infringement claim is caused by Buyer's designs or to the extent that any infringement results from modification of the Work by Buyer or (unless Seller is a contributory infringer) from combination by Buyer with Work not purchased hereunder.

15. **Buyer-Furnished Property.** The following provisions shall, unless specifically otherwise agreed in writing by Buyer and Seller, apply with respect to any and all tools, equipment, material or other property used in the Work which are supplied to Seller by Buyer or are specifically paid for by Buyer ("Buyer-furnished property"): (a) Seller shall have the right to use all Buyer-furnished property without payment of rent in the performance of this PO or of other work for Buyer but shall not, without Buyer's written consent, use the same on any work for others, including, without limitation,

Seller's own work that is not for this PO; (b) Title to all Buyer-furnished property shall at all times be and remain in Buyer. Seller shall, upon request of Buyer and without charge, execute such financing statements, security agreements, or other instruments as may be necessary to make Buyer's title a matter of public record. Title to any such Buyer-furnished property which is procured or manufactured by Seller shall vest in Buyer upon the earlier of: (i) acquisition or completion of manufacture by Seller, or (ii) payment for the same by Buyer. Seller shall pay any and all property taxes imposed as a result of such Buyer-furnished property being located at Seller's facility; (c) Seller shall keep all Buyer-furnished property separate from all other property and clearly marked to show Buyer's ownership and shall do all things necessary to preserve Buyer's title free and clear of all encumbrances. Seller shall, upon completion of its receipt and, if necessary, installation of any Buyer-furnished property, submit to Buyer an itemized inventory showing the description, location, and identifying marks of each item or group of similar items; (d) Buyer shall have the right to enter Seller's premises and inspect all such Buyer-furnished property at any reasonable time. Should Seller fail to perform the duties imposed upon it hereunder or should Buyer at any time have reason to believe that its title to, or right to the possession of, any Buyer-furnished property is threatened, Buyer shall have the right to enter Seller's premises and remove any or all such property, without a decree or order of any court; (e) Upon completion, termination, or cancellation of this PO, Seller shall, at the request of Buyer, properly pack any or all of such Buyer-furnished property and ship the same, F.O.B. Seller's plant, then to a destination designated by Buyer. Seller shall also segregate and collect in one location all Buyer-furnished material which is not actually contained in the finished parts and shall dispose of the same as Buyer may direct; (f) Seller shall, at its own expense, perform all maintenance work, repairs, and replacement which may be necessary with respect to any Buyer-furnished property so that the same may remain suitable for the use contemplated hereby and may be returned to Buyer in as good a condition as when received, except for reasonable wear and tear. Seller shall give Buyer prompt written notice of any Buyer-furnished property which has been supplied by Buyer to Seller and which, upon delivery to Seller, is found to be defective, and the correction or replacement of such defective property shall be accomplished at Buyer's expense; (g) Except in the case of Buyer-furnished property procured or manufactured by Seller, the risk of loss or damage to any and all Buyer-furnished property shall be borne by Seller from the time such property is delivered to Seller until such property is returned to Buyer. In the case of Buyer-furnished property procured or manufactured by Seller, risk of loss or damage shall be borne by Seller at all times until such property is delivered to Buyer; (h) Buyer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control, with respect to any Buyer-furnished property to be delivered by it to Seller; and, (i) Seller shall assume and indemnify, defend, and hold harmless Buyer against any and all liability for damage to property or injury to or death of persons including employees of Seller, arising from or incidental to the presence or use of Buyer-furnished property, whether such damage, injury, or death is caused by defects in such property, negligence in its use, or otherwise.

16. Safety. Seller is responsible for ensuring that the Work is done in a safe manner and shall take all special precautions necessary to protect and safeguard personnel and property. Seller warrants that any and all equipment and material delivered for or to Buyer or its designee and/or any and all Work under this PO performed for Buyer on Buyer's premises, premises occupied by Buyer, or the premises of Buyer's subcontractors or customers shall comply with all requirements of the Occupational Safety and Health Act of 1970, as the same may be amended from time to time, including any and all regulations adopted pursuant to such Act. Any and all chemical shipments must contain current copies of the correct material safety data sheets. The foregoing provision shall not be deemed to limit any other duty of the Seller to comply with statutes, orders, rules, or regulations.

17. Design for Environment. Seller warrants that each and every chemical substance delivered under this PO shall, at the time of sale, transfer or delivery, be on the list of chemical substances compiled and published by the Administrator of the Environmental Protection Agency pursuant to Section 8(b) of the Toxic Substances Control Act, (Public Law 94-469) as the same may be amended from time to time. In addition, Seller shall conform to the provisions of the revision of the BT Standard on Controlled Substances, Doc ID-number 000014, applicable at delivery. A substance defined as "prohibited" shall not be used in any goods that comprise the Work. A substance defined as "declarable" shall not be used in any goods comprising the Work, unless a derogation is obtained. With the submission of any design or descriptive product information by the Seller under this PO, Seller shall provide: a) a material declaration for any goods that comprise the Work, using the BT Material Declaration template, Doc ID-number 015753, or other format as specified by BT; b) a derogation to use a "declarable" substance, using the BT Derogation template, Doc ID-number 000016; and, c) safety data sheets (SDS/MSDS) for chemicals or chemical preparations contained in any goods that comprise the Work. The applicable revision of supporting BT documents at delivery can be obtained through the Bombardier webpage as follows: <[www.bombardier.com/files/en/supporting\\_docs/GRP-20-20-15-](http://www.bombardier.com/files/en/supporting_docs/GRP-20-20-15-)

000014.zip>.

18. Subcontracts under Government Contracts, Equal Employment Opportunity, and DBE Utilization. (a) When the Work to be delivered or performed hereunder is for the purpose of enabling Buyer to perform a government contract or subcontract, Seller shall comply with all applicable provisions of Appendix A, Governmental Terms and Conditions, which is attached to and made part of this PO. If there is no government contract/subcontract: "None" shall be entered on Appendix A; (b) All subcontractors, vendors and suppliers are hereby notified that it is the policy of Buyer to provide equal employment opportunity and to adhere to federal, state and local laws pertaining thereto. It is requested that appropriate action be taken on the part of all subcontractors, vendors, and suppliers of Seller to ensure adherence to such laws. Seller is expected to assist Buyer in meeting its commitment with regard to the maximum utilization of Disadvantaged Business Enterprises (DBE) if expressly required of Seller in this PO. Seller agrees to ensure that DBEs have every opportunity to compete for subcontract work as required to meet the terms and conditions of this PO, and shall make good faith efforts to ensure that subcontracts for supplies and services to be provided under this PO, equal to at least 10% of the PO price, are placed with Disadvantaged Business Enterprises and Women-owned Business Enterprises or such higher percentage as may be indicated in Appendix A. Documentation of these efforts, along with results, is to be submitted by Seller to Buyer at various intervals to be specified by the Buyer. Appendix A shall be made a part of this PO and have precedence over contrary terms and conditions contained elsewhere in this PO.

19. Insurance/Indemnity. Seller shall provide insurance acceptable to Buyer in accordance with Appendix B, Insurance and Indemnity, which shall be evidenced by a certificate of insurance in a format acceptable to Buyer. Such certificate shall be attached to and made a part of Appendix B. Appendix B shall be attached to and made part of this PO and have precedence over contrary terms and conditions contained elsewhere in this PO.

20. General. This PO shall be governed by, and construed in accordance with, the laws of the Commonwealth of Pennsylvania, not including, however, its laws with respect to choice or conflicts of law. Buyer and Seller hereby agree that the United Nations Convention on Contracts for the International Sale of Goods will not apply to this PO. Any legal action commenced under or with respect to this PO must be brought in the federal, state or local courts of the Commonwealth of Pennsylvania. Unless the contrary is specifically stated, all rights and remedies provided herein shall be in addition to, and not in place of, those provided by applicable law. The titles of the articles set forth in this PO are for convenience only and shall not be applied to limit or restrict the meanings of such articles. Pending a final settlement of any dispute, without prejudice to either Buyer's or Seller's rights, both Buyer and Seller shall proceed diligently with the performance of this PO. In the event of a default by Seller under this PO, Buyer reserves the right to procure the Work from a source other than Seller and charge Seller the excess of the price of the other source over the price contained in this PO for such Work. In addition, Seller shall be liable for all costs and expenses incurred by Buyer in relation thereto. Buyer may Back charge Seller for all amounts due to Buyer under this Article.

21. Availability. Seller agrees to make available to Buyer at all times duplicate units of the Work and any renewal, repair and/or replacement parts thereof at fair and reasonable prices, based on prices for similar or equivalent items provided to other customers, prevailing at the time of the purchase by Buyer. Seller shall advise Buyer in writing of the date on which the production of goods encompassing the Work will end. Buyer shall be advised of the end date at least ninety days prior to such date. Buyer shall then have the opportunity to adjust the total and final quantity of its order without incurring a change in the unit price or any additional charges for making such change. Should Seller become unable or unwilling to supply to Buyer said Work, and/or renewal, repair or replacement parts at any time within twenty (20) years following completion of this PO, Seller shall furnish to Buyer on an "as is", royalty free, basis Seller's manufacturing drawings, information, and data to enable Buyer to manufacture or secure the Work from alternative sources, but only for the Work previously supplied by Buyer and/or renewal, repair and replacement parts for such Work.

22. First Article Inspection. In the event that a First Article Inspection is a requirement of this PO, Buyer's Quality Assurance Procedure shall apply. Buyer shall provide a copy of such Procedure to Seller upon request. If a sample is required by this PO, Seller is not to proceed with the manufacturing or furnishing of the goods called for in this PO until Buyer has authorized such manufacturing or furnishing in writing to Seller. Buyer's authorization shall not relieve Seller of its obligation to ensure that the goods are manufactured and/or furnished in accordance with the terms and conditions of this PO and Seller shall also ensure that an adequate amount of time has been built into the agreed schedule of delivery dates for Seller to receive authorization from Buyer to begin manufacturing/furnishing the goods such that there shall be no extension of the time for completion of the Works.

23. Goods Shipment and Transport. For additional terms and conditions applicable to Work that consists of or

includes goods, please see Appendix C, Goods Shipment and Transport. Appendix C shall be attached to and made part of this PO and have precedence over contrary terms and conditions contained elsewhere in this PO.

24. Buyer's Back-charges. Where Buyer undertakes to correct or perform work that it is entitled to correct/perform under this PO or applicable law on behalf of Seller, Buyer shall do so at its then current charges for such work which shall be back charged to Seller. The current schedule of charges is attached to this PO as Appendix D, Buyer's Charges. Such charges are not intended to represent all of Buyer's possible damages related to a particular situation.

25. Electronic Commerce. Buyer and Seller agree to conduct the business transaction which is the subject of this PO by electronic means. Signatures affixed by an electronic process to this PO as provided under the Pennsylvania Electronic Transactions Act, as hereafter amended, including, but not limited to, scanned signatures which have been executed or adopted by a person who is authorized to sign this PO on behalf of Buyer or Seller (the "Signer") shall be assent by the company of the Signer to the terms and conditions of this PO. Emails or other electric/electronic correspondence including, but not limited to, telephone calls, voice mails, electronic text messages, facsimiles, and participation in electronic interactive social media exchanged between Buyer and Seller shall not be considered by Buyer and Seller to constitute a means to establish intent to bind Buyer and Seller to the terms and conditions of this PO, to effect a change to the terms and conditions of this PO, or to create a new agreement. Only signatures as indicated above which are affixed to the PO, to the Acknowledgement signed by Seller, or signed Change Notice on a form supplied by Buyer shall constitute intent to bind Seller and Buyer to the terms and conditions of this PO or to a change to this PO.

## APPENDIX C

### GOODS SHIPMENT AND TRANSPORT

1. Bombardier Transportation Verification. All goods produced pursuant to this PO require Buyer's verification utilizing one or more methods of inspection. The inspection methods are: (a) source inspection at Seller's facility; (b) incoming inspection at Buyer's facility; and, (c) inspection of supplied information. "Information" includes, but is not limited to, Certificates of Compliance, proof of Seller's inspections, Seller's parts certifications, Seller's other certifications, etc.). Each method helps to ensure that all items provided under this PO fully comply with Buyer's requirements. However, such inspections do not relieve Seller of its responsibility to ensure full compliance of its Work with the terms and conditions of this PO. Inspection methods are determined by, but not limited to, Seller's capability, Seller's performance, and the critical nature of the Work to be provided. If Seller has any questions or concerns regarding Buyer's inspections or changes to the type of inspection by Buyer, Seller must address such issues with Buyer.

2. Bombardier Changing Delivery Requirements. The delivery schedule contained in this PO is a planned forecast. The forecasted delivery schedule is subject to change. Any changes to the forecasted delivery schedule will be communicated to Seller by Buyer. Confirmation of Seller's receipt and acceptance of Buyer's communicated schedule changes must be received by Buyer within five working days after receipt of such changes by Seller. Seller's receipt and acceptance shall be in writing.

3. Air Freight Imports - When Authorized By Buyer in writing.

Seller shall supply commercial invoices indicating:

- Material description and value of each item provided.
  - Country of origin marked on product or shipping package.
  - Harmonized Tariff Schedule Number (when known).
  - Shipping terms and conditions in accordance with Incoterms 2010 and the PO.
  - Consigned shipment based on the delivery address specified on the PO.
- Transit time: 7 days from Europe to the USA; 10 days from Asia to the USA

4. Ocean Freight Imports - When Authorized By Buyer in writing.

Seller shall supply commercial invoices indicating:

- Material description and value of each item provided.
  - Country of origin marked on product or shipping package.
  - Harmonized Tariff Schedule Number (when known).
  - Shipping terms and conditions in accordance with Incoterms 2010 and the PO.
  - Consigned shipment based on the delivery address specified on the P.O.
- Transit time: 30 days from Europe to the USA; 45 days from Asia to the USA

5. Ocean Freight Regulations. Effective as of January 26, 2010, the Seller should be aware of security regulations that must be followed for sea freight shipments entering a U.S. Port. Before material is loaded into a container at a non-U.S. port, the importer of record (Buyer) must file an ISF (Importer Security Filing) report with U.S. Customs. The report must contain the following information.

- Manufacturer name and address
- Seller's name and address
- Container stuffing location
- Consolidator's name and address
- Buyer's name and address
- "Ship to" name and address
- Importer of record number (I.R.S or U.S. Customs assigned number)
- Consignee Number (I.R.S. Number)
- Country of origin of the merchandise
- Harmonized tariff number
- Vessel Stow Plan
- Container status messages

A. If Buyer is paying the sea freight charge, Buyer shall pickup the material at Seller's dock using Buyer's freight forwarder, UTI. UTI will obtain the necessary information from Seller and file the ISF Report on Buyer's behalf.

B. If Seller is paying the sea freight charges and it is agreed that Seller makes its own sea freight arrangements, then Seller shall contact UTI at least seven business days prior to the material leaving Seller's dock such that the necessary information can be obtained.

Contact UTI at: [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com)

Goods cannot leave Seller's dock until authorized by UTI and the ISF Report is filed with U.S. Customs.

If the goods are shipped without Buyer's knowledge, and the goods arrive at a U.S. Port, any penalty fees assessed to Buyer by U.S. Customs together with reasonable costs and expenses will be passed onto and be paid by the Seller within 10 days after the Seller's receipt of an invoice therefor.

C. NEW SOLAS Convention Regulation Effective July 1, 2016: All shippers are responsible for verifying and providing the "Verified Gross Mass" ("VGM") of their shipments in advance of the stow planning to the shipping line. The shipper is responsible for 1) accurate cargo weight verification and 2) reporting of the VGM to the carrier. This can be included on the shipping document (either hard copy or EDI) given to the carrier. Ocean Carriers are prohibited by law to load packed containers without the VGM on any vessel bound to the SOLAS Convention.

## 6. Delivery Instructions - General delivery information.

A. All shipments less than 150 lbs must go by Fed Ex 2nd Day or Fed Ex International Economy. Contact buyer for account number.

FedEx Waybills should include a reference to the Bombardier Purchase Order or WBS project number that you are shipping for.

Transit time: one to two business days; All priority shipments including airfreight shipments must have an STR (Special Transport Request) Form authorized by Buyer and emailed back to [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com) for approval. Blank STR Forms can be provided on request.

B. All domestic LTL shipments from 150 lbs to 6,000 lbs and less than 14' of floor space shall be shipped using ABF. For pick up call your local ABF terminal or [www.abfs.com](http://www.abfs.com).

The bill of lading must include:

1. a reference to Buyer's PO or WBS project number for which the shipment is being made; and,
2. the following third-party billing information for the transportation charges:

Bombardier Transportation  
c/o UTI Transportation Management  
Attn: Freight Payment Department  
PO Box 888815  
Grand Rapids, MI 49588 USA

Transit time: two to three business days; All shipments that require delivery sooner must have an STR (Special Transport Request) Form authorized by Buyer and emailed back to [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com) for approval. Blank STR Forms will be provided on request.

C. All LTL shipments for Canada from 150 lbs to 8,000 lbs and less than 14' of floor space shall be shipped using ABF. For pick up call your local ABF terminal or [www.abfs.com](http://www.abfs.com).

All Canadian shipments must be accompanied by the following documents:

1. Customs invoice (including the name of Buyer's Customs Broker: UPS-SCS);
2. Packing Slip;
3. NAFTA Certificate (if applicable); and,
4. Bill of lading (including reference to the Buyer's PO or WBS project number for which the shipment is being made, the name of Buyer's Customs Broker (UPS-SCS), and the following third party billing information for the transportation charges:



Bombardier Transportation  
c/o UTI Transportation Management  
Attn: Freight Payment Department  
PO Box 888815  
Grand Rapids, MI 49588 USA

D. Declared Value (Value for Carriage) must not be indicated on the bill of lading. . Please contact UTi at [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com), or the respective Buyer's representative for instructions for high value shipments (over \$1,300,000).

E. For all dedicated truck load and flatbed shipments, Seller shall contact [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com) or call 1-616-855-1221. U.S. shipments will require delivery note/packing slip and Bill of Lading with the billing information referenced above. Canadian truck load and flat beds - see required paperwork referenced in Clause 6(C) above.

F. When booking any shipment with UTI, the following information must be provided in addition to any other information noted above:

1. Number and type of packages
2. Weight and whether the freight is stackable
3. Dimensions – including length, width, and height
4. Date and time when the freight is available for pickup
5. Address and business hours of the pickup location
6. Contact person and phone at pickup location
7. Address and business hours of the delivery location
8. Contact person and phone at the delivery location

G. For Dangerous Goods Shipments, the Material Safety Data Sheets (MSDS) must be provided at all times, along with the Hazmat bill of lading for ground shipments, International Maritime Organization Bill of Lading for ocean shipments or International Air Transport Association Airway Bill for air shipments. Please note that shipments from the Buyer's facility in Pittsburgh, Pennsylvania are to be sent to Craters Inc. which is the Buyer's Dangerous Goods Packaging Center in the Pittsburgh area. (Contact [BTSYSTEMS-PPC@go2uti.com](mailto:BTSYSTEMS-PPC@go2uti.com) for more detailed information, if needed.)

7. Parts Marking. Parts supplied under this PO must be marked in accordance with the requirements of the Buyer's Parts Marking Policy 3A63130, Rev. 6. A copy of this document will be furnished upon request. (Note: Some items are exempt from this Policy. Please see the policy for the exemptions.)

8. HSE and Suppliers. Seller shall assist the coordinator of Buyer's HSE operations to establish an adequate management system according to OHSAS 18001 and ISO 14001 or similar industrial standards. .

9. IPPC Wood Requirements. All solid wood skids and solid wood packaging must be heat treated and be in compliance with IPPC (International Plant Protection Convention). Unaffected by the IPPC rules are processed wood-packing materials such as plywood, particleboard, oriented strand board, and veneer, which have been created by using glue, heat, and pressure. Any shipment packaged with wood, imported or exported on behalf of the Buyer must meet IPPC Wood Requirements. Internationally recognized IPPC markings must be visible on all skids or crates. The specific markings can be found in the IPPC Regulations. The IPPC markings must be shown twice on each pallet or crate.

10. Returned/Repaired Works - For all Works returned to Seller for repair/evaluation, Buyer requires that a Failure Analysis must be performed and returned to the Buyer. At a minimum, the Failure Analysis shall identify any inspections and tests conducted, specific component or subassembly failures, the type of rectification to repair or replace the Works, and any conclusions as to the cause of the failure. A Failure Analysis Report must be submitted for each failed item, even if "no fault found" is the conclusion of the analysis. For recurrent and/or systemic failures, Buyer will require Seller to submit a root cause and corrective/preventive action analysis report.

## APPENDIX D

### BUYER'S CHARGES

The charges below in Table 3.1.1 are valid until 31 December 2019. After such time, they are subject to modification by Buyer.

#### Table 3.1.1.: Buyer's Charges for Disruption, Labor, Materials, and Third Parties

1) Buyer shall be reimbursed at the rate of \$200 per each non-compliant good or breach of the Purchase Contract as compensation for efforts undertaken by Buyer to react to and initiate work concerning the possible need for corrective work for such situation ("Disruption Charge"). This Disruption Charge shall be in addition to any other charges, costs, or expenses to which the Buyer may be entitled under this PO and may be levied even if no material or labor charges are to be Back charged.

2) Buyer shall be reimbursed for its material costs in accordance with the following:

Cost of materials + ten per cent (10%) mark up for overhead.

3) Buyer shall be reimbursed for its labor and administrative costs at the following hourly rates:

For work performed by Buyer (except in Mexico) - \$128.00.

For work performed by Buyer in Mexico - \$36.00.

4) Costs incurred by Buyer from a third party [including Buyer's customer(s)] shall be charged back to Seller in accordance with the following:

Amount invoiced by a third party\* + the Buyer's hourly rate above, to cover the administrative costs and associated overhead.

\* costs substantiated, as acceptable to Buyer

The total Back charge amount shall become due and payable by Seller within fifteen (15) days after Seller's receipt of notification from Buyer. Such amount may be paid outright by Seller to Buyer or to the extent there are sufficient amounts due to Seller against which the Back charge may be offset, may be deducted from monies due or to become due to Seller by Buyer, in Buyer's sole discretion