1. On receipt of the present purchase order and its terms and conditions, the supplier undertakes to transmit to Bombardier a written acknowledgement of the present purchase order including all terms and conditions of the present order, and of all its terms and conditions by the supplier. This acknowledgement will be formed by the signature of the supplier representative on the acknowledgment form attached to the purchase order or either a separate written acknowledgement which will expressly refer to this purchase order. The supplier will transmit the acknowledgement in a written form to Bombardier. This purchase order expressly limits acceptance to the terms and conditions included in this purchase order. Any modification of the terms and conditions deemed refused by Bombardier unless, in writing, expressly accepted by Bombardier, or in the written acknowledgement of the supplier, the delivery, even partial, of the goods, including the delivery of one single piece, will be considered as the acceptance of the purchase order, including all its terms and conditions by the supplier. Furthermore, Bombardier reserves the right to withhold payment to the supplier pending written acknowledgement.

2. Unless otherwise specified in this purchase order, the warranty for the goods delivered under this purchase order shall be of two (2) years from the beginning of revenue service (if the goods are incorporated into vehicles/trains) or three (3) years from delivery of goods to Bombardier, whichever period ends first.

3. The supplier expressly recognizes that he has full knowledge of the intended use of the goods, material, equipment and parts (hereafter called "the goods") to be delivered in accordance with this order. The supplier warrants that the goods will conform to any sample, specifications, drawings or other description furnished by Bombardier or referenced thereto. It is understood that such requirement does not preclude the supplier to deliver goods which are fit for their specific purpose. The supplier warrants that the goods will be free from any defect, will be delivered in accordance with the delivery dates specified and warrants that he will respect all terms and conditions of the present order. Otherwise, Bombardier may cancel this order without any cost and purchase the goods from any other source. In the event of such cancellation, and if requested to do so by Bombardier, the supplier shall deliver to Bombardier within the time specified by it, without additional cost, any overhauled goods (as defined in section 20 herein) yet undelivered (finished or unfinished). If the supplier fails to deliver the overhauled goods within the time specified, Bombardier shall be entitled to remove the overhauled goods from the supplier's premises. Additionally, any excess cost incurred by Bombardier as a result of such cancellation shall be the responsibility of the supplier and payable by the supplier within 15 days of demand or such sum may be deducted from monies due or to become due to the supplier by Bombardier. During the warranty period, if the goods or any part of the goods are found to be defective or fail to meet these order requirements, the supplier shall, at his own expense, replace at the delivery point any such goods or part thereof. Bombardier, at its option, may repair or replace such defective goods or part thereof and charge it to the supplier expressly contained in this order or in any special attachment thereto will not limit the application of any implied warranties, conditions or of any legal warranties.

4. The supplier shall be solely responsible for and will further defend and indemnify Bombardier, upon demand, from and against all claims, actions, liabilities, losses and expenses (including investigation expenses and attorney fees incurred in litigation or because of the threat of litigation), arising or alleged to arise from acts or omissions or defects or alleged defects of either latent or patent, in the goods or workmanship on the order or the goods or defective design of the goods purchased by Bombardier from the supplier.

5. All goods supplied under this order are subject to inspection and acceptance by Bombardier, its agents or its clients at origin and destination. Any inspection and/or acceptance by Bombardier, its agents or its clients shall not release the supplier from its obligations under section 3 of the present terms and conditions. If the goods or any part thereof are considered to be defective by Bombardier, the supplier shall bear the cost of inspection and transportation of said goods, if requested by Bombardier, to his facilities. Bombardier reserves the right to make repairs on defective material and to charge the supplier for the work performed. Based on Bombardier's annual chargeback rate applicable at the time of the repairs, such sum shall become due and payable by the supplier within fifteen (15) days of notification from Bombardier to the supplier or such sum may be deducted from monies due or to become due to the supplier by Bombardier. The supplier shall have access at all reasonable times to the plant and premises of the supplier. The goods shall only be delivered to Bombardier upon Bombardier's authorization. It is understood that payment shall not constitute acceptance as to quality or quantity and shall not release the supplier from all of his obligations contained in the present order and/or provided by law. Bombardier shall be the final judge of the quality and quantity of the goods.

6. No payment will be made to the supplier in respect of any of the goods which are rejected after inspection.

7. If a sample is required by this order, the supplier is not to proceed with the manufacturing or furnishing of the balance of the goods called for in this order until Bombardier has authorized such manufacturing or furnishing.

8. Bombardier reserves the right at any time to make changes to the specifications, drawings and/or quantities as to any of the goods and work pertaining to this order. Any change requested by Bombardier will be held as accepted by the supplier, unless, within (10) days following the date of the change requested by Bombardier, the supplier notifies in writing Bombardier of the impossibility to proceed to such change request. In absence of the notification required herein, the supplier renounces expressly to claim from Bombardier any price increase or delay resulting directly or indirectly from such change request.

9. Any change of price or of delivery dates requested by the supplier shall be negotiated with the procurement department of Bombardier. Only a written approval by Bombardier shall authorize any changes in price and delivery dates.

10. All dies, Jigs, tools, patterns, gauges, or other equipment paid for by Bombardier under this order or furnished by Bombardier to the supplier, are the property of Bombardier and shall not be used or sold, or parted with in any manner by the supplier or any of its representatives, unless approved in writing by Bombardier. Furthermore, the supplier agrees to notify Bombardier, in writing, as soon as known and, if possible, before the beginning of the delay, of any circumstances or events in the nature of force majeure, or any causes reasonably beyond the control of the supplier, which may delay deliveries as specified. If the
NATURE OF THE FORCE MAJEURE SHALL DELAY THE DELIVERY OF THE GOODS. BOMBARDIER CAN EXTEND THE DELIVERY PERIOD OF THE DELAYED GOODS BY A PERIOD OF TIME EQUAL TO THE DELAY SO CAUSED (AS EVALUATED BY BOMBARDIER), PROVIDED THAT THE SUPPLIER GAVE THE ABOVE MENTIONED NOTICE TO BOMBARDIER.

14. WHERE BOMBARDIER HAS FURNISHED PATTERNS OR OTHER EQUIPMENT FOR USE IN EXECUTING BOMBARDIER'S ORDERS, THE SUPPLIER AGREES TO CAREFULLY CHECK AND APPROVE THE PATTERNS AND EQUIPMENT BEFORE USING THEM. SUCH PROVISION OF PATTERNS AND EQUIPMENT BY BOMBARDIER SHALL NOT RELEASE THE SUPPLIER FROM ITS OBLIGATIONS UNDER SECTION 3 OF THE PRESENT TERMS AND CONDITIONS.

15. THE SUPPLIER AGREES THAT ALL GOODS OR PARTS THEREOF DELIVERED UNDER THIS ORDER, DO NOT INFRINGE ON ANY VALID PATENT, COPYRIGHT, TRADEMARK OR INDUSTRIAL DESIGN, FOREIGN OR DOMESTIC, OWNED OR CONTROLLED BY ANY OTHER CORPORATION, FIRM OR PERSON. THE SUPPLIER AGREES TO HOLD BOMBARDIER, BOMBARDIER'S CLIENT AND BOMBARDIER'S SUCCESSORS IN TITLE TO SAID GOODS HARMLESS AGAINST ANY AND ALL LIABILITIES, LOSSES AND EXPENSES, INCLUDING WITHOUT LIMITATION LEGAL FEES, BY REASON OF ANY CLAIM, ACTION, OR LITIGATION ARISING OUT OF ANY ALLEGED OR ACTUAL INFRINGEMENT OF ANY PATENT, COPYRIGHT, TRADEMARK OR INDUSTRIAL DESIGN, FOREIGN OR DOMESTIC, RESULTING FROM USE OR SALE OF THE GOODS PURCHASED OR ANY PART THEROF FURNISHED UNDER THIS ORDER. THE SUPPLIER GUARANTEES THAT THE GOODS FURNISHED UNDER THIS ORDER CAN BE USED CONTINUOUSLY DURING THE COURSE OF ANY SUCH PROCEEDING.

16. BOMBARDIER MAY, AT ANY TIME, UPON NOTIFICATION TO THE SUPPLIER, REDUCE THE QUANTITIES OF THE GOODS TO BE DELIVERED OR TERMINATE THIS ORDER FOR ALL OR ANY PART OR PARTS OF THE WORK NOT YET COMPLETED. UPON SUCH NOTIFICATION, THE SUPPLIER SHALL CEASE WORK (INCLUDING THE MANUFACTURING AND/OR PROCURING OF GOODS FOR THE FULFILLMENT OF THIS ORDER) IN ACCORDANCE WITH AND TO THE EXTENT SPECIFIED IN SUCH NOTICE. ONLY THE WORK COMPLETED BY THE SUPPLIER HEREUNDER IN ACCORDANCE WITH THE SCHEDULE PROVIDED WITH THIS ORDER AND UP TO THIRTY (30) DAYS FOLLOWING ISSUANCE OF SUCH NOTICE TO SUPPLIER, PROVIDED THAT SUCH GOODS OR WORKS CANNOT BE UTILIZED, USED OR SOLD TO OTHER CUSTOMERS, AND ALL WORK COMPLETED THEREAFTER, NOT TERMINATED BY SUCH NOTICE, SHALL BE PAID FOR (SUBJECT TO ACCEPTANCE BY BOMBARDIER IN ACCORDANCE WITH THE PROVISIONS OF THIS ORDER) AND DELIVERED TO BOMBARDIER ON THE BASIS PROVIDED IN THIS ORDER. UNLESS SPECIFICALLY TERMINATED BY BOMBARDIER, THE SUPPLIER SHALL REMAIN LIABLE FOR THE WARRANTY OBLIGATIONS INCLUDED OR REFERRED TO IN THIS PURCHASE ORDER WITH RELATION TO THE GOODS OR PART OF THE GOODS OR WORKS COMPLETED. THE SUPPLIER SHALL HAVE NO CLAIM FOR DAMAGE, COMPENSATION, LOSS OF PROFIT, ALLOWANCE OR OTHERWISE DIRECTLY OR INDIRECTLY ARISING OUT OF ANY ACTION TAKEN OR NOTICE GIVEN BY BOMBARDIER UNDER OR PURSUANT TO THE PROVISIONS OF THIS CLAUSE EXCEPT AND AS TO THE EXTENT EXPRESSLY PROVIDED FOR BY THIS CLAUSE.

17. IN THE EVENT THE SUPPLIER'S SCOPE OF WORK INCLUDES OVERHAULED GOODS AS DEFINED IN SECTION 20 HEREIN AND THE ORDER IS TERMINATED AS DESCRIBED IN THE PREVIOUS PARAGRAPH, THE OVERHAULED GOODS SHALL BE RETURNED TO BOMBARDIER AT THE LATEST WITHIN THIRTY (30) DAYS OF RECEIPT OF THE NOTICE OF TERMINATION. IF THE SUPPLIER FAILS TO DELIVER THE OVERHAULED GOODS WITHIN THE TIME SPECIFIED, BOMBARDIER SHALL BE ENTITLED TO REMOVE SUCH OVERHAULED GOODS, (IF REMOVED FROM THE SUPPLIER PREMISES), AGAINST THE COST THEREOF TO BOMBARDIER. IF THE SUPPLIER BECOMES INSOLVENT, BANKRUPT, COMMITS REPUDIATION OF THE PURCHASE ORDER OR BREACHES ANY PROVISIONS OF THIS PURCHASE ORDER, BOMBARDIER MAY TERMINATE THE PURCHASE ORDER BY WRITTEN NOTICE TO THE SUPPLIER. THE SUPPLIER SHALL CEASE ALL WORKS AND BOMBARDIER IS ENTITLED TO TAKE THE BENEFIT OF ANY WORK ALREADY CARRIED OUT OR ANY GOODS COMPLETED, PARTIALLY OR COMPLETELY, BY THE SUPPLIER, IF REQUESTED BY BOMBARDIER, THE SUPPLIER AGREES TO REMOVE ALL GOODS, WHETHER PARTLY OR COMPLETELY COMPLETED, AND WHICH ARE NOT DELIVERED TO THE ORDER OF BOMBARDIER AND HAVE NOT BEEN ACCEPTED BY BOMBARDIER. THE SUPPLIER SHALL INDEMNIFY BOMBARDIER FOR ALL DAMAGES AND ANY COST INCURRED BY BOMBARDIER DUE TO THE DEFAULT. THE SUPPLIER SHALL REMAIN LIABLE FOR THE WARRANTY OBLIGATIONS INCLUDED OR REFERRED TO IN THIS PURCHASE ORDER WITH RELATION TO THE GOODS OR PART OF THE GOODS OR WORKS COMPLETED. THE SUPPLIER WILL ALSO CONTINUE PERFORMING THE PORTION(S) OF WORK AND PROVIDING GOODS NOT TERMINATED BY THE WRITTEN NOTIFICATION.

18. GOODS SHIPPED IN VARIOUS SPECIFIED QUANTITIES MAY BE RETURNED TO THE SUPPLIER AT THE SUPPLIER’S RISK AND ACCOUNT. IN THE EVENT THE SCOPE OF WORK REQUIRES THE SUPPLIER TO CLEAN, INSPECT AND TEST GOODS WHICH HAVE BEEN STRIPPED FROM THE VEHICLE BY BOMBARDIER AND REPAIR OR REPLACE THEM AS REQUIRED OR AS NEEDED (THE "OVERHAULED GOODS"), THE SUPPLIER IS RESPONSIBLE FOR THE COST THEREOF TO BOMBARDIER. IN THE EVENT THE GOODS IS LOCATED IN THE PROVINCE OF QUEBEC, ONTARIO OR BRITISH COLUMBIA, ALL CLAIMS, OBLIGATIONS INCLUDED OR REFERRED TO IN THIS PURCHASE ORDER WITH RELATION TO THE GOODS OR WORKS COMPLETED HEREUNDER WILL BE GOVERNED RESPECTIVELY BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF QUEBEC, THE STATE OF PENNSYLVANIA OR THE STATE OF NEW YORK EXCLUDING THE RULES OF TERRITORIAL COMPETENCE ATTRIBUTION AND IF THE GOOD IS LOCATED IN THE MEXICAN TERRITORY, ALL CLAUSES STATED HEREIN SHALL BE GOVERNED RESPECTIVELY GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF VERMONT, PENNSYLVANIA OR THE STATE OF NEW YORK EXCLUDING THE RULES OF TERRITORIAL COMPETENCE ATTRIBUTION AND IF THE DESTINATION POINT OF THE GOODS IS LOCATED IN THE MEXICAN TERRITORY. ALL CLAUSES STATED HEREIN SHALL BE GOVERNED RESPECTIVELY BY AND INTERPRETED IN ACCORDANCE WITH THE APPLICABLE FEDERAL, STATE, PROVINCIAL, MUNICIPAL AND LOCAL LAWS AND REGULATIONS AND MORE PARTICULARLY ENVIRONMENTAL LAWS AND REGULATIONS.

19. IN ALL EVENTS, THE SUPPLIER SHALL CONTINUE TO PERFORM ITS WORK UNLESS BOMBARDIER NOTIFIES THE SUPPLIER TO STOP OR SUSPEND PERFORMING THE WORK.
ACCORDINGLY, PENDING PRELIMINARY OR FINAL RESOLUTION OF ANY DISPUTE, THROUGH SETTLEMENT BETWEEN THE PARTIES OR JUDGMENT FROM A COURT, THE SUPPLIER SHALL PROCEED DILIGENTLY WITH THE PERFORMANCE OF THIS PURCHASE ORDER.

28. STARTING MAY 7, 2010, THE PRESENT TERMS AND CONDITIONS SHALL APPLY TO ALL PURCHASE ORDERS AND/OR REVISED PURCHASE ORDERS. HOWEVER, THE GOODS ORDERED BY BOMBARDIER UNDER THE PAST TERMS AND CONDITIONS ATTACHED TO PURCHASE ORDERS (TC 9999) SHALL REMAIN GOVERNED BY THESE PAST TERMS AND CONDITIONS.

29. IF THE SUPPLIER AND BOMBARDIER HAVE EXECUTED, PRIOR TO THE ISSUANCE OF THIS PURCHASE ORDER, BOTH GENERAL TERMS AND CONDITIONS (GTC) AND SPECIFIC TERMS AND CONDITIONS (STC) FOR THE GOODS SPECIFIED UNDER THE PRESENT PURCHASE ORDER, THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER (TC 9998) SHALL NOT BE APPLICABLE BETWEEN THE SUPPLIER AND BOMBARDIER.


32. THE BOMBARDIER’S STANDARD DISRUPTION RATE FOR:
   - 2014: 166 USD/165 CAD/2050 MEXICAN PESOS.
   - 2013: 162 USD/161 CAD/2000 MEXICAN PESOS.
   - 2012: 162 USD/161 CAD/2000 MEXICAN PESOS.