



VESTSHELL INC.

FRAMEWORK AGREEMENT
(Vestshell Inc's General terms of sale [the "Seller" or "Vestshell"])

WHEREAS, Buyer (as hereinafter defined) will from time to time submit purchase orders (hereinafter the "**Purchase Orders**") to Seller for the manufacture and sale of tooling, equipment or parts (hereinafter the "**Products**") and for other related services (hereinafter the "**Services**");

WHEREAS, the parties have agreed that the terms and conditions contained herein shall apply to all Purchase Orders submitted by Buyer to Seller for the Products and Services offered;

NOW THEREFORE, the parties agree as follows:

1) **Exclusivity and Entire Agreement:** These terms and conditions of sale are intended to govern all sales of Products and Services between Seller and Buyer and represent, without exception and with the specifications provided or included herein, the entire agreement between the parties. All other terms and conditions are specifically rejected unless otherwise agreed to in writing, and Seller and Buyer agree, by entering into any transaction, that these terms and conditions of sale shall apply to any Purchase Order issued and that the prices charged by Seller to Buyer, which Seller shall set from time to time in its sole discretion and in accordance with its pricing policies, shall be based on these terms and conditions of sale.

2) **Payment Terms:** Unless otherwise specified in writing, all accounts are payable within 30 days of the invoice date. Seller may, in its sole discretion and without notice, change the payment terms based on Buyer's payment history. All past due amounts shall be increased by a late payment penalty of 2% per month (i.e., 24% per annum) payable upon Seller's demand. Any unpaid penalty shall bear interest at the same rate and shall be payable on demand by Seller.

Seller reserves the right, in its sole discretion and notwithstanding any direction or instruction to the contrary from Buyer, to either set off amounts received from Buyer against amounts payable by Buyer, including compound interest, or to set off their mutual debts, and Buyer consents to such set-off or offset.

3) **Taxes:** Prices quoted in Purchase Orders do not include GST, HST, sales taxes, customs duties, use taxes, excise taxes and similar federal, provincial, or state specific taxes of Buyer. The invoice will separately list all applicable taxes, which shall be paid by Buyer in the manner set forth above.

4) **Tooling:** Buyer shall pay, in accordance with the payment terms set forth above, the costs of tooling, including, but not limited to, additions, modifications and maintenance, whereupon Buyer shall receive ownership of the tooling.

Unless otherwise authorized by Buyer, Vestshell will retain possession and control of the Tooling for the sole purpose of Vestshell's manufacture of Buyer's Products and Services. After the original tooling has been manufactured, if any additions, modifications and maintenance are required, Buyer acknowledges that it will be responsible for the costs associated with such additions, modifications and maintenance.

If Seller, in its sole discretion, deems the Tooling obsolete or has not used it for a period of more than five (5) years, it may, in its sole discretion, return it to Buyer at Buyer's expense, scrap it, or store it for a fee in accordance with Seller's pricing policy. If Vestshell fails to contact Buyer after three (3) attempts, Vestshell reserves the right to dispose of the tooling.

5) **Samples:** Seller will submit samples of new molds to Buyer for approval prior to proceeding with the manufacture of parts. It is understood that parts produced according to approved samples will be considered to conform to Buyer's specifications. Any quantity shipped at Buyer's request prior to Buyer's approval of samples shall be shipped at Buyer's risk. Seller shall not be liable for any delay caused by Buyer's failure to approve samples.

6) **Delivery:** The proposed delivery date shall be calculated from the date of Seller's receipt of the Purchase Order and all essential details thereof, such as required approvals, if any. Vestshell shall not be liable for any loss or damage resulting from any delay in delivery attributable to Buyer or any law or regulation, production contingencies or any other unforeseen event occurring at Vestshell's plant or elsewhere.

Unless otherwise specified in writing, the Products are shipped EXW, meaning that ownership of the goods passes to Buyer at Vestshell's shipping dock. Except for tooling which Seller will store for Buyer as set forth above, the Products and Services shall become Buyer's property upon delivery to Seller's shipping dock for pickup by Buyer or its agents, at which time Buyer shall be fully responsible for such Products and Services, including partial or total loss

thereof. In all cases, Buyer shall own the goods in transit, shall be responsible for customs clearance, shall pay customs duties and shall be responsible for transportation costs and any loss or damage. It is the responsibility of the Buyer to obtain such insurance coverage as it deems necessary for this purpose.

- 7) **Subsequent Modifications:** Modifications, changes, delayed shipments, cancellations and additions to a Purchase Order will be valid subject to Vestshell's written consent and in accordance with conditions designed to compensate Vestshell for any losses, including, but not limited to, parts completed at unit price, in-process parts at unit price adjusted for progress, raw materials that have been specially ordered for said order, overhead, storage costs and tooling.
- 8) **Warranties:** Vestshell warrants that its Products will conform to the agreed upon specifications and will be free from defects resulting from faulty workmanship or materials for a limited period of time following delivery to Buyer. Vestshell disclaims any liability for defects that can only be detected by inspection not provided for in the requirements agreed upon by the parties.

These Seller warranties do not cover defects of which Buyer had knowledge prior to shipment, defects caused by improper installation of the Products or Services by Buyer or resulting from Buyer's negligence, or loss or damage incurred during shipment. [See Form 8.2-F14 Manufacturer's Product Warranty](#)

- 9) **Defective Product or Service Returns:** If the Products are defective, Buyer must, within thirty (30) days of discovery of the defect, determine the nature of the defect and submit a written claim to Seller. Vestshell will give Buyer credit for defective Products subject to the approval of Vestshell's Quality Assurance Manager, who shall not unreasonably withhold such approval.

To obtain such authorization, Buyer shall first submit a written report to Vestshell's Quality Assurance Manager specifying the number of rejected Products and the reasons for the rejection with supporting evidence, such as photographs or inspection reports. Vestshell will then provide written instructions and explanations regarding the destruction of the parts, a Return Material Authorization (RMA), notice of rejection of the claim, or otherwise. If Vestshell requests the return of Products, the Products must be returned in good condition, excluding defects claimed, and packaged so as not to be further damaged in transit. Vestshell will review Buyer's claim and all information and materials received and respond in writing within thirty (30) days. If the claim is rejected, Vestshell will explain in detail the reasons for rejection.

Vestshell reserves the right to reject returns sent without the required return authorization. Returns sent without authorization will be rejected and returned to Buyer. Vestshell will invoice Buyer for all freight charges incurred for freight returned without authorization.

Upon written acceptance of the claim, Seller will replace the defective Products or Services or issue a credit to Buyer, at Seller's option and discretion, provided that such claim is filed by Buyer within 365 days of the invoice date. Vestshell's liability shall be limited to the price paid by Buyer for the defective Products or Services and the shipping costs associated with their return, if any. Buyer shall have no claim for additional damages. Products or Services claimed to be defective shall not be returned to Vestshell or marked, stamped, machined, defaced or altered in any way without Vestshell's express permission and opportunity to inspect as described above. Vestshell is always willing to offer suggestions regarding the manufacturability of parts, but Vestshell assumes no responsibility for the merits of such suggestions or their suitability for Buyer's purposes. Any acceptance of returns by the Vestshell Receiving Department is only an acknowledgement of receipt and not an acceptance of the claim itself.

- 10) **Over or Under Shipments:** Due to the nature of the investment casting process and, therefore, the variable yield of any manufacturing batch, Vestshell reserves the right to ship up to ten percent (10%) less or more than the quantity stated on any Purchase Order.
- 11) **Patents:** It is understood that Buyer will assume full responsibility, hold Vestshell harmless for any losses and release Vestshell from any and all claims of patent infringement or intellectual property infringement arising out of the manufacture of parts in accordance with the drawings and designs provided by Buyer.
- 12) **Liability:** In the event of fire or any other circumstance beyond Vestshell's control, Vestshell shall not be liable for any loss or damage to molds, jigs, fixtures or any other equipment or tools provided by Buyer to Seller for the manufacture of the Products or Services requested. It is Buyer's responsibility to obtain such insurance coverage as it deems necessary for this purpose.
- 13) **Intellectual Property:** Vestshell and Buyer agree to respect and protect each other's intellectual property, to use the intellectual property provided only for its intended purpose, to take all reasonable and necessary steps to limit access to such intellectual property and not to disclose it to any third party, except to the extent necessary to produce the Purchase Orders and subject to such third party's agreement to respect and protect such intellectual property by execution, and such executed agreement shall be delivered to the party owning such intellectual property upon its request and without delay. Unless otherwise agreed to by the parties, any intellectual property jointly developed by Vestshell and Buyer will be divided such that the intellectual property relating to manufacturing processes will belong to Vestshell and the intellectual property relating to the form and function of the product will belong to Buyer. Any information obtained from a third party in compliance with the obligations hereunder or in the public domain is not intellectual property.

- 14) **Quotations:** Unless otherwise specified, all quotations submitted by Vestshell must be accepted within thirty (30) days of the date of receipt by Buyer and are subject to change by Vestshell at any time without notice in its sole discretion and prior to express acceptance of the Purchase Orders. If Vestshell accepts a Purchase Order for the Products and Services described in a quotation, such Purchase Order represents Buyer's tacit acceptance of all terms of this Master Agreement. If the Purchase Order as expressly accepted by Vestshell contains printed, stamped or other provisions contrary to the terms of such quotation, the provisions of such quotation shall prevail unless otherwise specified in writing by Vestshell. The entire contract between Vestshell and Buyer consists solely of this Quotation and Vestshell's express acceptance of the Purchase Order. Any clerical errors may be subject to correction.
- 15) **Governing Law:** This Agreement shall be governed by the laws of the Province of Quebec, Canada. In the event of any dispute between the parties regarding the interpretation or application of this Agreement, the parties agree that the courts of the Province of Quebec shall have jurisdiction.
- 16) **Export and Import Licenses or Permits:** As Vestshell is not the importer of record, the responsibility for obtaining import and export licenses or permits rests with the Buyer. Vestshell will, however, provide any reasonable information or assistance where possible.
- 17) **Severability of Contract:** If any provision of these terms and conditions is held by a court of competent jurisdiction or by any statute, regulation, ordinance, simple executive agreement or other rule of law to be invalid or unenforceable, such provision shall be severed or modified, at the option of Buyer and Vestshell, but only to the extent necessary to comply with such decision, statute, regulation, ordinance, agreement or rule, and the remaining provisions of these terms and conditions shall remain in effect.
- 18) **Notice:** Any notice required under this Agreement shall be sufficient if made in writing and sent in such manner as will enable the sending party to prove proper delivery of the notice to the receiving party at the address shown on the Purchase Orders, or at such other address as may be shared in accordance with this clause.

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Please contact one of our representatives if you need more information.