

## TERMS AND CONDITIONS OF PURCHASE ORDER (TC 9998)

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 WHICH WILL ACT AS THE ACCEPTANCE OF THE PRESENT PURCHASE 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 ACKNOWLEDGEMENT 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 WILL BE DEEMED REFUSED BY BOMBARDIER UNLESS THERE IS A FORMAL ACCEPTANCE IN WRITING BY BOMBARDIER. FAILING THE RECEIPT, BY BOMBARDIER, OF 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 TO HEREIN. 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 THIS EVENT, ANY EXCESS COST INCURRED BY BOMBARDIER AS A RESULT 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. ANY WARRANTY 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 OF THE SUPPLIER OR FROM DEFECTS OR ALLEGED DEFECTS, WHETHER LATENT OR PATENT, IN THE GOODS OR WORKMANSHIP ON 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. BOMBARDIER, ITS AGENTS, ITS CLIENTS AND/OR ITS CONSULTANTS, 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.  
NO PAYMENT WILL BE MADE TO THE SUPPLIER IN RESPECT OF ANY OF THE GOODS WHICH ARE REJECTED AFTER INSPECTION.
6. 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.
7. BOMBARDIER RESERVES THE RIGHT AT ANY TIME TO MAKE CHANGES TO THE SPECIFICATIONS, DRAWINGS AND/OR QUANTITIES AS TO ANY OF THE GOODS AND/OR 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 THE CHANGE REQUEST.
8. 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.
9. 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 BE DELIVERED TO BOMBARDIER UPON REQUEST. ALL DRAWINGS, SPECIFICATIONS, TEMPLATES, SAMPLES OR SIMILAR ITEMS ISSUED BY BOMBARDIER TO THE SUPPLIER FOR THE PURPOSE OF THIS ORDER SHALL BE RETURNED TO BOMBARDIER UPON COMPLETION OR TERMINATION OF THE ORDER. THIS ORDER AND ALL DRAWINGS, SPECIFICATIONS AND ALL INFORMATION ISSUED, ARE THE CONFIDENTIAL PROPERTY OF BOMBARDIER, FOR AND AFTER THE DURATION OF THIS ORDER. THE SUPPLIER WILL KEEP PRIVATE SUCH INFORMATION, DRAWINGS AND SPECIFICATIONS AND WILL NOT TRANSMIT THEM TO ANY THIRD PARTY WITHOUT BOMBARDIER'S PRIOR APPROVAL. THE SUPPLIER SHALL NOT USE THE DRAWINGS, SPECIFICATIONS AND INFORMATION FOR ANY PURPOSE OTHER THAN THIS ORDER WITHOUT THE PRIOR WRITTEN APPROVAL OF BOMBARDIER. THE SUPPLIER SHALL PRESERVE IN GOOD CONDITION ALL SUCH TECHNICAL DATA AND RETURN THE SAME TO BOMBARDIER PROMPTLY UPON DEMAND, AND, IN ANY EVENT, UPON COMPLETION OR TERMINATION OF THE ORDER.
10. THE SUPPLIER SHALL OBTAIN, AT ITS EXPENSE, COMPREHENSIVE GENERAL LIABILITY INSURANCE, INCLUDING CONTRACTUAL LIABILITY AND PRODUCTS LIABILITY COVERING THE SUPPLIER'S PREMISES AND OPERATIONS; SUCH CONTRACTUAL LIABILITY AND PRODUCTS LIABILITY POLICIES SHALL BE ISSUED IN THE RESPECTIVE AMOUNTS OF US \$5,000,000 BODILY INJURY AND US \$5,000,000 PROPERTY DAMAGE, SUCH POLICIES SHALL BE ISSUED BY A COMPANY OR COMPANIES SATISFACTORY TO BOMBARDIER. THE SUPPLIER SHALL FURNISH BOMBARDIER WITH A CERTIFICATE OF INSURANCE CERTIFYING THE EXISTENCE OF THE AFOREMENTIONED INSURANCE. ALL SUCH POLICIES AND THE CERTIFICATE OF INSURANCE SHALL PROVIDE THAT COVERAGE THEREUNDER SHALL NOT BE TERMINATED OR CHANGED WITHOUT A MINIMUM OF THIRTY (30) DAYS PRIOR WRITTEN NOTICE TO BOMBARDIER. FURTHER, THE SUPPLIER HEREBY DECLARES AND WARRANTS THAT ALL ASSESSMENTS OR COMPENSATION PAYABLE TO THE WORKERS' COMPENSATION BOARD (OR THE COMMISSION DE LA SANTE ET DE LA SECURITE DU TRAVAIL (CSST) FOR THE PROVINCE OF QUEBEC OR THE INSTITUTO MEXICANO DEL SEGURO SOCIAL (IMSS) FOR MEXICO) HAVE BEEN PAID AND, THE SUPPLIER SHALL AT ALL TIMES PAY OR CAUSE TO BE PAID ANY ASSESSMENTS OR COMPENSATION REQUIRED TO BE PAID PURSUANT TO ANY APPLICABLE WORKERS' COMPENSATION ACT (ACT RESPECTING OCCUPATIONAL HEALTH AND SAFETY FOR THE PROVINCE OF QUEBEC OR THE LEY FEDERAL DEL TRABAJO AND ANY OTHER LEGISLATION IN MEXICO). PRIOR TO PERFORMING ANY WORK, THE SUPPLIER SHALL PROVIDE TO BOMBARDIER, IN A FORM ACCEPTABLE TO BOMBARDIER (I.E. CERTIFICATES OF INSURANCE AND/OR LETTERS OF GOOD STANDING AND/OR OTHER DOCUMENTS), SUFFICIENT PROOF THAT IT IS IN COMPLIANCE WITH THE REQUIREMENTS OF THE PREVIOUS SENTENCE.
11. THE SUPPLIER AGREES AT ANY TIME THAT THE GOODS THAT FORM THE PRESENT ORDER SHALL BE MARKED IN SUCH A WAY AS TO BE READILY RECOGNIZABLE AS THE SUPPLIER'S PRODUCT AND/OR BOMBARDIER'S PRODUCT.
12. THE SUPPLIER SHALL, UPON BOMBARDIER'S REQUEST, SUSPEND SHIPMENT AND DELIVERY OF THE GOODS AND ALL WORK AND OPERATIONS HEREIN FOR SUCH PERIOD AS BOMBARDIER MAY REQUEST AND AT NO ADDITIONAL COST TO BOMBARDIER.
13. 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 WARRANTS AND GUARANTEES THAT ALL GOODS OR ANY 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 OF OR SALE OF THE GOODS PURCHASED OR ANY PART THEREOF 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.

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 SHALL DELIVER, AT NO COST TO BOMBARDIER, AND WITHIN THE TIME SPECIFIED BY BOMBARDIER, ALL WORKS AND GOODS YET NOT DELIVERED. 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.

17. GOODS SHIPPED IN EXCESS OF SPECIFIED QUANTITIES MAY BE RETURNED TO THE SUPPLIER AT THE SUPPLIER'S EXPENSE.

18. THIS ORDER MAY NOT BE TRANSFERRED, ASSIGNED OR SUBLET WITHOUT THE EXPRESS PRIOR WRITTEN CONSENT OF BOMBARDIER, AND IT IS AGREED THAT NOTWITHSTANDING SUCH WRITTEN CONSENT FROM BOMBARDIER, SUPPLIER SHALL REMAIN FULLY RESPONSIBLE FOR THE WORK AND PERFORMANCE OF ANY SUCH SUBCONTRACTOR OR ASSIGNEE. ANY TRANSFER, ASSIGNMENT OR SUBLEASE MADE WITHOUT EXPRESS BOMBARDIER APPROVAL WILL BE DEEMED NULL AND VOID.

19. NO AGREEMENT OR OTHER UNDERSTANDING IN ANY WAY CHANGING OR ADDING TO THE TERMS OR CONDITIONS EXPRESSED HEREIN SHALL BE BINDING UPON BOMBARDIER, OR CONFER ANY RIGHTS ON THE SUPPLIER UNLESS IN WRITING AND APPEARING ON THE FACE OF THIS ORDER OR ATTACHED HERETO AND BY REFERENCE HEREIN MADE A PART HEREOF. ANY SUCH AGREEMENT OR UNDERSTANDING SHALL BE SIGNED AND APPROVED BY A REPRESENTATIVE OF THE PROCUREMENT DEPARTMENT OF BOMBARDIER. IN THE EVENT OF CONFLICT OR INCONSISTENCY BETWEEN THESE TERMS AND CONDITIONS AND OTHERS APPEARING ON THE FACE OF THIS ORDER OR ATTACHED HERETO, THE LATTER SHALL TAKE PRECEDENCE.

20. THE SUPPLIER IS LIABLE FOR LOSS AND ADDITIONAL CHARGE IF DELIVERY OF THE GOODS IS DELAYED BEYOND THE SCHEDULE PROVIDED UNDER THIS PURCHASE ORDER.

21. IN ADDITION TO THE RIGHTS OF BOMBARDIER DESCRIBED IN THIS PURCHASE ORDER, IF THE GOODS OR SERVICES ARE NOT RECEIVED OR PERFORMED IN COMPLIANCE WITH THE PURCHASE ORDER REQUIREMENTS HEREIN, BOMBARDIER HAS THE RIGHT TO CHARGE BACK TO THE SUPPLIER A STANDARD DISRUPTION FEE PER EACH NON-COMPLIANT GOOD OR SERVICE AT BOMBARDIER'S ANNUAL DISRUPTION RATE APPLICABLE AT THE TIME SUCH NON-COMPLIANCE OCCURS. FURTHERMORE, IF ANY WORK IS PERFORMED BY BOMBARDIER ON THE GOODS OR IN RELATION WITH THE SERVICES TO ENSURE COMPLIANCE WITH THE PURCHASE ORDER REQUIREMENTS, SUCH WORK SHALL BE CHARGED BACK TO THE SUPPLIER AT BOMBARDIER'S ANNUAL CHARGEBACK RATE APPLICABLE AT THE TIME SUCH WORK IS PERFORMED. THE TOTAL 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.

22. THE SUPPLIER SHALL ADVISE BOMBARDIER, IN WRITING, OF THE ENDING DATE OF PRODUCTION OF THE GOODS AT LEAST NINETY (90) DAYS PRIOR TO SUCH END DATE. BOMBARDIER SHALL THEN HAVE THE OPPORTUNITY TO ADJUST THE TOTAL AND FINAL QUANTITY OF ITS ORDER WITHOUT INCURRING A CHANGE IN PRICE OR ANY ADDITIONAL CHARGES.

23. TITLE OF THE GOODS SHALL BE TRANSFERRED TO BOMBARDIER UPON DELIVERY AT ORIGIN POINT OR ON PAYMENT OF THE GOODS BY BOMBARDIER, WHICHEVER OCCURS FIRST. THE DESIGNATED INCOTERMS WILL DETERMINE THE TRANSFER OF RISK OF LOSS FOR THE GOODS, EXCEPT IF SPECIFIED OTHERWISE IN THE PRESENT PURCHASE ORDER. THE SUPPLIER UNDERTAKES TO DELIVER TO BOMBARDIER, AT THE ORIGIN POINT, ALL GOODS FREE AND CLEAR OF ANY PRIVILEGES OR LIENS HELD BY THIRD PARTIES, AND HEREBY RENOUNCES TO ALL PRIVILEGES AND LIENS IN FAVOR OF BOMBARDIER.

24. UNLESS OTHERWISE STATED IN THIS ORDER, IF THE DESTINATION POINT OF THE GOODS IS LOCATED IN THE PROVINCE OF QUEBEC, ONTARIO OR BRITISH COLUMBIA, ALL CLAUSES STATED HEREIN SHALL BE RESPECTIVELY GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF QUEBEC, ONTARIO AND BRITISH COLUMBIA EXCLUDING THE RULES OF TERRITORIAL COMPETENCE ATTRIBUTION. IF THE DESTINATION POINT OF THE GOODS IS LOCATED IN THE STATE OF VERMONT, PENNSYLVANIA OR THE STATE OF NEW YORK, ALL CLAUSES STATED HEREIN SHALL BE GOVERNED RESPECTIVELY 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 LAWS OF MEXICO EXCLUDING THE RULES OF TERRITORIAL COMPETENCE ATTRIBUTION. IT IS EXPRESSLY AGREED THAT ANY COMPETENCE ATTRIBUTION. IT IS EXPRESSLY AGREED THAT ANY PROVISION OF THIS ORDER PROHIBITED BY LAW SHALL BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION WITHOUT INVALIDATING THE REMAINING PROVISIONS OF THIS ORDER. THE PROVISIONS OF THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS (REFERRED TO AS THE "CISG") AS WELL AS THE PROVISIONS OF THE LAW ON THE UNITED NATIONS CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS ARE EXCLUDED OF THE TERMS OF THIS PURCHASE ORDER.

25. SUPPLIER'S AND ITS SUBCONTRACTORS' ACCOUNTS, INVOICES, RECORDS, RECEIPTS AND DOCUMENTS RELATING TO THE WORK PERFORMED UNDER THIS ORDER SHALL AT ALL TIMES, UNTIL THE EXPIRATION OF THREE YEARS FOLLOWING DELIVERY OF THE LAST ITEM, BE OPEN TO AUDIT AND INSPECTION BY BOMBARDIER.

26. THE SUPPLIER SHALL COMPLY WITH ALL APPLICABLE FEDERAL, STATE, PROVINCIAL, MUNICIPAL AND LOCAL LAWS AND REGULATIONS AND MORE PARTICULARLY ENVIRONMENTAL LAWS AND REGULATIONS.

27. 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 SEPTEMBER 1ST, 2009, 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 9999) SHALL NOT BE APPLICABLE BETWEEN THE SUPPLIER AND BOMBARDIER.

30. THE SUPPLIER SHALL COMPLY WITH THE BOMBARDIER SUPPLIER CODE OF CONDUCT. THE SUPPLIER ACKNOWLEDGES READING THE BOMBARDIER SUPPLIER CODE OF CONDUCT AND AGREES, AT ALL TIMES DURING THE EXECUTION OF THIS PURCHASE ORDER, TO ACT IN CONFORMANCE WITH IT. THE BOMBARDIER SUPPLIER CODE OF CONDUCT IS AVAILABLE AT: <http://www.bombardier.com/en/governance/supplier-code-of-conduct.html>.

31. THE 2016 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER ANYWHERE, EXCEPT IN MEXICO, SHALL BE OF 131.20\$ USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS CANADIAN DOLLAR, THE CHARGE BACK RATE SHALL BE OF 172\$ CAD/HOUR. THE 2016 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER IN MEXICO, SHALL BE OF 37\$ USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS MEXICAN PESO, THE CHARGE BACK RATE SHALL BE OF 638 MEXICAN PESOS/HOUR.

THE 2014-2015 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER ANYWHERE, EXCEPT IN MEXICO, SHALL BE OF 131.20\$ USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS CANADIAN DOLLAR, THE CHARGE BACK RATE SHALL BE OF 131.20\$ CAD/HOUR. THE 2014-2015 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER IN MEXICO, SHALL BE OF 37\$ USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS MEXICAN PESO, THE CHARGE BACK RATE SHALL BE OF 510 MEXICAN PESOS/HOUR.

THE 2013 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER ANYWHERE, EXCEPT IN MEXICO, SHALL BE OF 128USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS CANADIAN DOLLAR, THE CHARGE BACK RATE SHALL BE OF 128CAD/HOUR. THE 2013 CHARGE BACK RATE APPLICABLE TO WORK PERFORMED BY BOMBARDIER IN MEXICO, SHALL BE OF 36\$ USD/HOUR. NOTWITHSTANDING THE ABOVE, IF THE CURRENCY OF PAYMENT OF THE CURRENT PURCHASE ORDER IS MEXICAN PESO, THE CHARGE BACK RATE SHALL BE OF 498 MEXICAN PESOS/HOUR.

**32. DISRUPTION FEE**

THE BOMBARDIER'S STANDARD DISRUPTION RATE FOR:

THE BOMBARDIER'S STANDARD DISRUPTION RATE FOR:

2016            166\$ USD .....165\$ CAD ..... 2050 MEXICAN PESOS.

2014-2015 - 166\$ USD .....165\$ CAD ..... 2050 MEXICAN PESOS.

2013 -           162\$ USD .....161\$ CAD ..... 2000 MEXICAN PESOS.