

# Mustang Survival Supplier Purchase Order Terms and Conditions

**1) Agreement:** This Purchase Order constitutes Buyer's offer to Seller and becomes a binding contract on the terms and conditions set forth herein. The parties shall be bound by this order, and all its terms and conditions when Seller executes and returns the acknowledgment copy of this order or delivers or furnishes to Buyer any of the goods and/or services ordered. Unless otherwise agreed to no contract shall exist except as herein above provided.

**2) Price:** Unless otherwise specifically authorized by Buyer in writing prior to shipping all Prices are as in effect at the time of the issuance of this Purchase Order and all Invoices must bear the exact same price as provided in this Purchase Order.

**3) Delivery:** The time of delivery stated is the essence of this contract. The date and place specified for delivery shall be according to the conditions stated in clause A4 of the INCOTerms in effect at the time of the purchase orders issuance. Acceptations, variations or exclusions shall only be by written acceptance by the parties. Buyer reserves the right to refuse any goods or services and to cancel all or any part hereof if Seller fails to deliver all or any part of any goods or perform all or any part of any services in accordance with the terms specified herein. If Seller's deliveries will not meet agreed schedules, Buyer may require Seller to ship via a more rapid route or carrier in order to expedite such delivery and any difference in cost caused by such change shall be paid by Seller. Acceptance of any part of this order shall not bind Buyer to accept future shipments or performance of services, nor deprive it of the right to return goods already accepted and shall not be deemed to be a waiver of Buyer's right to cancel or return all or any part of the goods because of failure to conform to order or by reason of defect, latent or patent, or other breach of warranty, or to make any claim for damages, including manufacturing cost or loss of profits, injury to reputation or other special, consequential and incidental damages incurred by Buyer.

**4) Substitutions:** Absolutely no substitutions of any kind will be accepted without prior approval by an authorized employee of Buyer.

**5) Packing and Shipping:** The goods purchased hereunder must be suitably packed and prepared for shipment based on the packaging guidelines provided by Mustang Survival, or as outlined for the characteristics for the goods or materials in the UNCTAD/WTO Technical Note number 13 on export packaging as verified by the packaging manufacturer. They shall also comply with any specific transportation specifications and applicable carriers' regulations, and be the minimum acceptable by the aforementioned standards necessary to secure the lowest reasonable transportation rates. All charges for packing and crating are included in the price for the goods set forth herein and will be paid by Seller except as otherwise specifically stated on the Purchase Order. A packing list shall accompany each box or package shipment, showing the order number specified hereon as well as the item number and a description of the goods. In the event that no such packing list accompanies any shipment, the count or weight or other measure of Buyer shall be final and conclusive. Buyer shall not be obligated to accept any shipments in excess of its ordered quantity and any excess or advance shipments may be returned to Seller at Seller's expense.

**6) Warranty:** Seller shall warrant that all goods will conform to the specifications, drawings, samples, models or other description furnished by Buyer or approved by Buyer in writing and that such goods will be of good material and workmanship and free from defect. Goods not in accordance with specifications will be rejected and held at the Seller's risk awaiting disposition by Seller. Seller must pay freight on all rejected material.

Seller shall indemnify defend and hold Buyer harmless for any claim, damage, liability, loss or expense (including attorney's fees) resulting from or arising out of Seller's failure to comply with any warranty contained in the Purchase Order.

**7) Changes:** Buyer may at any time by written notice cancel this order or make changes within the general scope of this order in any one or more of the following:

1. Drawings, designs, or specification,
2. Methods of shipment or packing
3. Quantities
4. Delivery Schedules
5. Place of delivery and
6. Instructions with respect to the rendition of services

If any such change increases or decreases the cost of, or the time required for the performance of this order, an equitable adjustment in the price and/or delivery schedule will be made and set forth in a written modification to this order, but under no circumstances shall Buyer be responsible for any raw material purchased by Seller in excess of the quantities released or for the fabrication of parts beyond normal lead times. Any claim for adjustment by Seller under this clause must be made within thirty (30) days from the date of receipt of the written notification of the change.

**8) Cancellation:** Buyer reserves the right to terminate this order in whole or in part by providing Seller written notice at any time prior to the completion of the work to be performed. Upon receipt of such notice Seller agrees to stop all work hereunder except as Buyer may otherwise direct. In the event of termination under this provision, settlement between Buyer and Seller shall be payment by Buyer of Seller's costs to date, determined in accordance with standard accounting principles, or upon such other terms and conditions as are mutually satisfactory.

Buyer also reserves the right to cancel this Purchase Order in the event that the Seller fails to perform any of the provisions hereof, or so fails to make progress as to endanger performance of this Purchase Order in accordance with its terms. Buyer shall also have the right to cancel this order or any part thereof, if Seller becomes insolvent or a bankruptcy petition is filed.

In the event of interruption of Buyer's business in whole or in part by reasons of fire, flood, acts of God, or any causes beyond Buyer's control, Buyer shall have the option of canceling this Purchase Order in whole or part as to any goods not yet delivered by Seller.

**9) Disclosures:** Seller agrees that it will keep confidential the features, any equipment, tools, gauges patterns, designs, drawings, engineering data or other technical proprietary information furnished by Buyer and use such items only in the production of goods for furnishing of services under this order or other orders from Buyer.

**10) Invoicing:** Invoices must bear exact same price and terms as purchase order or written authorization must be received from Buyer prior to shipping. Buyer's purchase order number must appear on all invoices.

**11) Assignment:** This purchase order is not assignable in whole or in part. Any attempted assignment shall be wholly invalid and ineffective for all purposes unless having first obtained the prior written consent of the third party.

**12) Patents:** Seller warrants and agrees that the purchase, use, or sale of the materials furnished under this order, in the form in which furnished to Buyer, will not infringe any valid Canadian, United States or foreign patent, trade-mark, or copyright and Seller agrees to defend any claim, action, or suit that may be brought against Buyer, its employees, agents, subsidiaries or affiliates for patent, trademark or copyright infringement by reason of Buyer's purchase, use, or sale of such goods and to indemnify and hold Buyer, its employees, agents, subsidiaries and affiliates harmless against all legal counsel fees, judgments, decrees, damages, cost and expenses recovered against or sustained by Buyer, its employees, agents, subsidiaries or affiliates on account of any such actual or alleged infringement.

**13) Compliance with Laws:** Seller represents and warrants that all goods covered by this Purchase Order have been produced and are being sold in compliance with and Seller agrees to be bound by all applicable WTO, USA and Canadian, federal, state, provincial, and local laws and regulations.

**14) Preferential Trade Certificates:** All suppliers must supply Free Trade Agree Certificates of Origin or other documents or certification/s necessary for Mustang Survival to receive benefit of preferential trade programs where applicable. By accepting this purchase order Seller accepts full responsibility for completeness and accuracy of the corresponding FTA Certificate of Origin and all other customs or trade documentation provided to Buyer. Seller further accepts liabilities resulting from inaccurate data on these documents or failure to comply with the requirements of beneficial trade programs.

**15) Compliance with Applicable Laws: Export Controls:** All goods, materials and technical data are subject to the laws, regulations, orders or other restrictions regarding import to, and export and re-export from, various countries, including export and re-export restrictions that may be imposed by applicable laws of the United States, Canada, or the United Nations. By accepting this order, you are agreeing not to import, export or re-export, either directly or indirectly (including transmission and shipment) except in accordance with all applicable laws, and you are accepting responsibility to determine what is necessary to assure such compliance. In particular, but without limitation, you agree not to export, re-export or provide technical data: to, or to a national or resident of, : Cuba, Iran, North Korea, Sudan, Syria, or to any other country embargoed or restricted by the U.S., Canada, or the United Nations (This list is subject to change, and you must comply with the proscribed lists as they exist in fact.) to anyone on the U.S. Commerce Department's Table of Denial Orders or the U.S. Department of Treasury's Specially Designated Nationals Lists, Canadian department of foreign affairs or to any person or entity who has been prohibited from participating in U.S. export transactions by any agency of the U.S. Government.

Furthermore, you are also agreeing not to transfer, export or re-export Mustang products, technology to yourself, your customers or any intermediate entity in the chain of supply if our products will be used in the design, development, production, stockpiling or use of missiles, chemical or biological weapons or for nuclear end uses, without obtaining prior authorization from the U.S. and Canadian Government.