

GENERAL PURCHASE ORDER TERMS AND CONDITIONS

1. Additional requirements, as stated in the body of ZHT Purchase Orders shall be fulfilled by the supplier.
2. ZHT, its customers and/or applicable agencies reserve the right of entry at the supplier's facility to verify that subcontracted product conforms to specified requirements.
3. Original identification of each individual item shall be maintained.
4. Any non-conforming item may not be shipped without written permission by ZHT.
5. The whole or any part of ZHT Purchase Orders may not be sublet or assigned without prior notice and written approval of ZHT. ZHT reserves the provision for right of access to any level of the supply chain. All approved suppliers shall be supplied with all plans, drawings, specifications, and other information, patterns, dies and other tools applicable to the requirements, including customer requirements.
6. All plans, drawings, specifications and other information, patterns, dies and other tools supplied by ZHT, and any information derived shall be kept secret and confidential by the supplier and sub-tier suppliers and shall not be disclosed to any third party without prior written approval of ZHT. All such plans, drawings, specifications, and other tools will remain the property of ZHT and will be returned to ZHT upon request. These documents and records created or maintained in relation to the product realization process must be retained by all suppliers indefinitely or until such time as ZHT requests their return.
7. The supplier warrants the goods against defects in materials and/or workmanship Suppliers must also ensure that personnel working on purchased products are aware of their contribution to products, or service conformity, their contribution to product safety, and the importance of ethical behavior.
8. The goods covered by a ZHT Purchase Order shall be properly packed by the supplier for shipment to ZHT at destination and, unless otherwise specifically provided in the body of the ZHT Purchase Order, the price or prices of the goods therein specified includes all costs of packaging. For international shipments, NAFTA documents, Pro Forma Invoices and/or appropriate Canada Customs invoices certified to coincide with commercial invoices are required.
9. A ZHT Purchase Order will be interpreted in accordance with the laws of the Province of British Columbia, Canada and no action or proceeding in relation thereto or arising there from shall be initiated against ZHT except in the courts of law of British Columbia.
10. Any changes in part or whole of the process or product services contracted to the supplier shall be communicated to ZHT for approval prior to implementation. ZHT shall be notified of any changes in a suppliers or sub-tier suppliers name or organizational status, or the manufacturing facility location and where required shall obtain ZHT approval.
11. The goods covered by a ZHT Purchase Order are subject to final inspection and acceptance at ZHT and/or its customer within a reasonable time after a receipt by ZHT.
 - a. If rejected upon receipt at ZHT, the goods may be held pending further input and/or disposition by the ZHT Customer.
 - b. Rejected or non-accepted product shall be returned to the supplier at the supplier's risk and expense without prejudice to any other rights to which ZHT may be entitled under the circumstances.
 - c. In the event of any non-conforming product been identified by the supplier prior to shipping to ZHT, the assigned supplier shall obtain approval from ZHT as to its disposition.

12. The goods covered by a ZHT Purchase Order shall be delivered on the delivery date or dates specified on the face of this Purchase Order and time shall be of the essence. Without limiting the foregoing, if a delivery is five (5) days or more past the scheduled delivery date and/or the supplier fails to notify ZHT at the earliest possible time that such delivery will be so late, ZHT may terminate the Purchase Order and remove the Supplier from ZHT's Approved Supplier List. Unauthorized advance shipments are returnable at the Suppliers expense. The Supplier agrees to employ alternate and/or premium shipment methods when necessary to ensure deliveries on the specified dates, at not additional cost to ZHT.
13. **Acceptance of product** at ZHT does not preclude the possibility of subsequent rejection at the Customer's facility nor is the acceptance of product by ZHT or its Customer to be used as evidence of effective control of quality by the supplier.
 - a. **Counterfeit Parts/Materials**
The Supplier shall certify that only new and authentic materials are used in products or goods delivered to ZHT and that the products/goods delivered contain no Counterfeit Parts or materials. To prevent the inadvertent use of counterfeit parts and/or materials all fasteners and/or materials delivered and/or used in the manufacture of deliverable products to customers shall be from the Original Component Manufacturer (OCM)/ Original Equipment Manufacturer or an authorized distributor. Parts/materials shall not be used or reworked and misrepresented as new. Parts shall not be acquired from independent distributors or brokers unless specifically authorized in writing by the buyer.
 - b. **Certification of Inspection, Test Reports, or Materials:** At a minimum the Supplier's acceptance of a ZHT Purchase Order certifies that the materials and processes supplied under the purchase order shall be or have been controlled and inspected in accordance with ZHT purchase order and they meet the specified order description of articles, requirements, referenced specifications and drawings.
 - c. **Certificate of Conformance** If requested the Supplier must provide a Certificate of Conformance for all orders and lots, verifying that all products and lots meet those requirements. All products and lots must be clearly identified and labeled and must be traceable to and linked to the Certificate of Conformance.
 - d. The Supplier will notify Zum Hingst Technologies when material or product is not verified or found to be non-authentic and is subject to recall.
14. Calibration System. All Inspection Measuring & Test Equipment used by the Supplier during in-process and final inspection to make a compliance evaluation shall be calibrated to the national standard.
15. Flowdown to Sub-tier Suppliers. Suppliers shall flow-down to Sub-Tier Suppliers the applicable requirements as required by the purchase order either specifically or by reference, including, all FAR and DFAR flow-down clauses as required to all lower tier subcontracts issued in support of this PO.
16. Confidentiality. Suppliers shall hold all information received from ZHT in confidence and no third party request for information will be authorized unless approved, in writing, by ZHT.