

Burloak Technologies Inc.
(Applies to all subsidiary companies)

Purchase Order Terms and Conditions

A. CONDITIONS OF PURCHASE

1. NON-PERFORMANCE : Burloak Technologies Inc. (Burloak) reserves the right to cancel this purchase order, or any portion thereof if delivery or performance is not made within the specified time. If the vendor is unable to make shipment on the date specified, Burloak shall be notified immediately.

2. PACKING SLIP: A packing slip IN DUPLICATE must accompany each shipment and refer to this purchase order.

3. NON-CONFORMING PRODUCT: Raw materials and material processing requirements described within this purchase order shall be subject to incoming inspection and final acceptance by Burloak. Material if rejected will be held by Burloak at the vendor's risk, pending directions from the vendor as to its disposition. Any expenses, including transportation charges incurred by Burloak in respect of non-conforming material, will be charged to the vendor's account (an administration fee may be applied).

4. REQUIRED CERTIFICATION: All raw materials and material processing described by the purchase order shall be accompanied by a Certificate of Conformance.

5. PACKAGING AND PRESERVATION: Damages to any goods, material or equipment resulting from improper packaging will be charged to the vendor's account. All materials must be preserved and packaged in a manner that meets or exceeds standard commercial practices or as described within the purchases order. All materials must be identified with a heat, lot or batch number.

6. LAWS: The laws of Ontario, Canada shall apply to and govern the interpretation of this purchase order and any proceedings taken by Burloak or the vendor shall be initiated in the courts Ontario, Canada.

7. RECORDS: The vendor shall maintain records of all inspections and tests for a minimum of ten (10) years after final payment for materials or services, or the retention period stated on this purchase order, whichever is greater. These records shall be available, and copies of the records shall be furnished upon request to Burloak representatives.

8. SUBCONTRACTED WORK: The vendor shall NOT subcontract any portion of this purchase order without prior approval from Burloak. Subcontracting requests will require disclosure of the proposed subcontract vendor and proof of their quality systems and capabilities.

9. FLOW DOWN REQUIREMENTS: The vendor shall flow-down the quality requirements of this purchase order to any subcontractor used in the performance of this contract as approved by Burloak.

10. ACCESS TO FACILITIES: Burloak and their customers, including government agencies, reserve the right to inspect any or all the work included within this purchase order at the vendor's facility. The vendor shall provide all necessary facilities, equipment, documentation and support required to perform any inspection at no cost to Burloak.

11. CORRECTIVE ACTION: The vendor shall notify Burloak of any non-conforming product and take prompt action to correct conditions which have resulted, or could result in, non-conforming product or services being offered to Burloak for acceptance. The vendor shall obtain Burloak's approval for nonconforming product disposition. No repair or deviation will be allowed without the approval in writing of Burloak. A formal NCR detailing the nature of the deviation, its cause and the proposed remediation must be submitted to Burloak's QA department for consideration.

12. AGE CONTROLLED PRODUCTS: Age controlled products shall be identified with the date of manufacture and the shelf life expiry date or useful life of the product. Age controlled products must have at least 80% of shelf life remaining upon receipt by Burloak

13. PROPRIETARY INFORMATION: Copies of data provided by Burloak shall be kept confidential and shall not be reproduced except for internal use. Such proprietary data shall be controlled to ensure that the data is used for the processing of Burloak work only. This data shall not be transferred without the written consent of Burloak and any transfer to a third party will require that party to enter into a binding NDA with Burloak prior to transfer of information.

14. VENDOR'S REPRESENTATIONS: The vendor represents and warrants that all materials sold to Burloak are sold in the ordinary course of its business and are free and clear of all liens, encumbrances and claims of others.

15. VENDOR PROCESSES: The vendor must immediately notify Burloak of any changes in product quality and/or processes, changes of suppliers, changes of manufacturing facility location, changes to quality approvals, changes to ownership and obtain Burloak's approval when required.

16. COUNTERFEIT MATERIAL: Supplier shall validate the authenticity of all material prior to delivery to Burloak. Supplier shall furnish, upon request from Burloak, all known pedigree information for each heat, lot or batch number delivered. Such documentation shall include, to the greatest extent possible, the name and location of all supply chain intermediates. If counterfeit materials are furnished under this PO or are found in any products delivered hereunder, such material will be quarantined by Burloak. Supplier shall promptly replace the counterfeit material with certified material acceptable to Burloak's purchase order. Supplier assumes responsibility and liability for all cost associated with the delivery of the counterfeit material including, without limitation, cost associated with identification, testing, and any corrective actions required.

17. Ethical Behavior

Supplier shall not engage in any form of corruption, bribery, anti-competitive agreements or other unfair business practices. Supplier shall assure its employees' compliance with these principles, take appropriate action in any instances of infraction of which they become aware, and take effective action to prevent such infraction.

Burloak Technologies Inc.
(Applies to all subsidiary companies)

Purchase Order Terms and Conditions

B. CONDITIONS OF PURCHASE

1. INVOICING:

- A.** The invoice must contain a complete description of the material delivered and/or the services performed.
- B.** Any applicable sales tax, duties and transportation charged will be shown separately on each invoice.
- C.** A separate invoice shall be issued for each purchase order and shall reference the relevant purchase order.
- D.** Invoices must be mailed to Burloak and must not be left with a Burloak employee at the time of delivery of material and/or performance of services.
- E. Burloak standard payment terms are 60 days.**

2. CUSTOMS DOCUMENTATION: Foreign shippers must supply one set of triplicate Commercial invoices and one set of quadruplicate Canada Customs invoices compiled and certified in accordance with Canadian Customs regulations. Otherwise, the vendor will be held responsible for storage or demurrage fees.

3. DUTY DRAWBACK: Should Burloak be entitled to make application for duty drawback with respect to any material imported by the vendor to satisfy Burloak purchase order, the vendor shall provide the necessary information and documentation to enable Burloak to make such application without any cost to Burloak

NOTE:

- a.** All copies of Customs Invoices must have the original signature upon them (no carbon copies).
- b.** Charges for materials as stated on the Customs Invoices must be shown exactly as invoiced to Burloak

BTI-FRM-62 - Purchase Order Terms & Conditions - Rev B