



GENERAL TERMS AND CONDITIONS OF PURCHASE

1. Definitions:

“**Buyer**” means Sigma Heating and Cooling Corp, 3325A Orlando Drive, Mississauga, Ontario, Canada L4V 1C5.

“**Deliverables**” means all goods and services to be provided under this Purchase Order.

“**Purchase Order**” means the purchase order issued by the Buyer to the Vendor and includes these General Terms and Conditions of Purchase and all documents referenced in the Purchase Order.

“**Specifications**” means all technical specification for the Deliverables including the original manufacturer specifications, and any Buyer specification included in, or attached to, the Purchase Order or otherwise provided to Vendor prior to its acceptance of the Purchase Order. In the event of any conflict or inconsistency between the manufacturer specifications and the Buyer specifications, unless Buyer has specifically agreed to the particular aspect of the manufacturer specifications, the Buyer specifications shall, to the extent of the inconsistency or conflict, prevail.

“**Vendor**” means the individual or corporation providing the goods and services specified in the Purchase Order.

2. Title, Risk of Loss: Unless expressly stated to the contrary on the face of the Purchase Order, delivery of all Deliverables shall be made Delivered Duty and or Tariffs Paid Buyer's Mississauga plant (per INCOTERMS 2000). All Deliverables delivered by the Vendor under the Purchase Order shall be free and clear of all liens and encumbrances. Title shall pass to the Buyer upon acceptance of the Deliverables by the Buyer

3. Warranty: The Vendor warrants that the Deliverables:

- a) are free from defects in design, materials, and workmanship;
- b) conform to the Specifications; and
- c) are fit for their intended purpose and are constructed of new materials.

The foregoing warranties shall remain in effect for a period equal to the longer of the duration of the Vendor's Standard Warranty or a period of twelve (12) months after acceptance of the Deliverables by the Buyer. Repaired or replaced Deliverables shall be warranted for the longer of the remaining warranty or ninety (90) days.

4. Repairs: The Vendor shall, at its option and expense, repair or replace any non-conforming or defective Deliverables and shall pay the cost of transportation of the defective or non-conforming deliverables to the vendor's facility and return to Buyer.

5. Disclosure of Information: All information, including but not limited to, technical data, specifications, drawings, and computer software programs in object or source code, which is conveyed by the Buyer to the Vendor or becomes known to the Vendor in the course of supplying the Deliverables, shall be deemed to be the proprietary confidential information of the Buyer (the “Confidential Information”). The Vendor shall not disclose the Confidential Information to any third party and shall use the Confidential Information solely for the purpose of supplying the Deliverables.

6. Intellectual Property: The Vendor warrants that the Buyer may freely use, resell or otherwise deal with the Deliverables without infringement of patents, copyrights, trademarks, trade secrets or other intellectual property rights held by the Vendor or any third party.

7. Prices, Substitutions, and Changes: Prices for the Deliverables shall conform to the prices set out on the face of the Purchase Order. In the event of a price conflict, the lower quoted price or purchase order price will prevail. The Vendor shall not make any substitutions or modifications to the Deliverables unless the Buyer has provided its consent in accordance with the “Entire Agreement” clause below. The Buyer may, by written notice to the Vendor, make changes within the general scope of the Purchase Order including, but not limited to, changes to:

- a) drawings, designs and specifications;
- b) the place of inspection, delivery or acceptance;
- c) the method of shipment or packaging; and
- d) the delivery schedule.

The Vendor shall immediately perform any changes to the Purchase Order set out in a notice from the Buyer. If any requested changes cause an increase or decrease in the cost or time required to deliver the Deliverables, the Vendor shall, within five days, furnish the Buyer with a written claim for a change to the Purchase Order price and schedule, and the parties shall agree on an equitable adjustment thereto.

8. Invoices/Documentation: Unless otherwise directed by the Buyer, invoices shall be emailed to accounting@sigmaproducts.com or mailed to the address shown on the front of the Purchase Order to the attention of “Accounting”. The Purchase Order Number shall appear on all packages, packing slips, invoices, correspondence, customs documentation, bills of lading, and other associated transportation documentation.

9. Payment Term: The Buyer agrees to pay Vendor 60 days after the receipt and performance of the Deliverables unless an alternate payment plan has been negotiated.

10. Packaging & Marketing: Packaging shall be sufficient to ensure safe arrival of the Deliverables. The Vendor shall firmly attach a copy of the detailed packing list, referencing the Buyer’s Purchase Order number, to the outside of the shipping container.

11. Customs Documentation: Non-Canadian Vendors shall include as part of the shipping documents copy of the commercial invoice for the Deliverables, certified in accordance with Canadian customs Regulations, and any export documents/permits required by the foreign authorities, including, where applicable, a certificate of origin as required under the North American Free Trade Agreement.

12. Taxes and Duties: Unless expressly excluded in the Purchase Order, prices for the Deliverables are inclusive of all taxes, including but not limited to, sales taxes, value added taxes, business transfer taxes, customs duties and tariffs, import/export duties, and excise taxes. Where applicable, the Goods and Services Tax (“GST”) shall be shown as a separate line item on the Vendor’s invoice. Where applicable, the Vendor’s GST Registration number shall be clearly indicated on the invoice.

13. Termination: The Buyer may terminate the Purchase Order in whole or in part upon written notice to the Vendor. If the Buyer terminates the Purchase Order for convenience, any claims for termination costs made by the Vendor shall be settled on the basis of reasonable costs, documented by the Vendor and, incurred by the Vendor in the course of carrying out the Purchase Order. If termination results from the Vendor’s breach of any term, provision, or condition set out in the Purchase Order, including but not limited to, delayed delivery, the Vendor shall not be entitled to reimbursement of any costs incurred, and the Buyer shall have all remedies available at law or equity, and the Buyer shall be entitled to purchase substitute materials elsewhere and charge the Vendor for additional costs incurred as a result.

- 14. Force Majeure:** The Buyer reserves the right, at its option, either to suspend or cancel the Purchase Order, in whole or in part, at any time, without incurring any costs or damages whatsoever, where such suspension or cancellation is caused by a force majeure event, including but not limited to, acts of God, public enemy or the government, strikes or other labour disputes, fires, floods, freight embargoes, unusually severe weather or other contingencies beyond the reasonable control of the Buyer and/or the Vendor.
- 15. Time of the Essence:** Time is of the essence in all matters relating to the Purchase Order.
- 16. Waiver and Severability:** No exercise, or failure or delay in exercising by the Buyer of any right, power, or remedy vested in the Buyer shall constitute a waiver by the Buyer of such right, power, or remedy under the Purchase Order. A determination that any portion of the Purchase Order is unenforceable or invalid shall not affect the enforceability or validity of any remaining portions of the Purchase Order.
- 17. Ensurement:** This Purchase Order shall be binding upon and ensure to the benefit of the parties hereto and their respective successors and duly permitted assigns.
- 18. Assignment:** The Vendor shall not assign or subcontract all or any part of this Purchase Order or any interest herein, without the Buyer's prior written consent.
- 19. Terms and Conditions:** These General Terms and Conditions of Purchase shall prevail over and supersede any terms and conditions, which appear on the Vendor's quotation, proposal or invoice.
- 20. Governing Law:** This Agreement shall be governed by the laws of Ontario, Canada excluding its conflicts of law principles. This Agreement shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods. The parties have agreed that this agreement be drawn up in English. *Les parties se sont entendues pour rédiger le présent contract en anglais.*
- 21. Entire Agreement:** The Purchase Order constitutes the entire agreement between the parties with respect to the Deliverables and supersedes any prior oral or written agreements, commitments, understandings or communications with respect to the subject matter hereof. The Purchase Order shall not be amended or modified, unless such amendment or modification is in writing and is executed by authorized representatives of each party.
- 22. Counterparts and Facsimiles:** The Purchase Order may be executed in any number of counterparts with the same effect as if all parties had signed the same document. Such counterparts may be transmitted by facsimile transmission and if so executed and transmitted shall for all purposes, be as effective as if the parties had both executed the original Purchase Order.