

## Natt Tools Group Inc. – Standard Terms and Conditions

### **1. Incorporation of Terms and Conditions in Purchase Order**

These terms and conditions apply to all orders of products (“Goods”) by Natt Tools Group Inc. (“Natt Tools Group Inc.”) and shall form a part of each purchase order issued by Natt Tools Group Inc. for Goods (“Purchase Order”).

### **2. Acceptance of Purchase Order**

The purchase order and these terms and conditions constitute an offer by Natt Tools Group Inc to purchase Goods on the terms and conditions set out herein and not an acceptance of any offer to sell or provide such Goods. The acceptance or commencement of performance of a Purchase Order by a supplier/vendor of Goods (the “Vendor”) shall constitute agreement to and acceptance of these terms and conditions.

### **3. Entire Contract and Exclusive Terms**

The Purchase Order and where the Purchase Order has been issued pursuant to a prior formal written agreement (“Formal Agreement”) between Natt Tools Group Inc and Vendor, such Formal Agreement and these terms and conditions form the entire contract between Natt Tools Group Inc and the Vendor (collectively, the “Contract”) relating to the purchase and sale of the Goods described in the Purchase Order or Formal Agreement. In the event of a conflict between these terms and conditions and or the terms and conditions of the Formal Agreement, the terms of the Formal Agreement shall prevail to the extent of such conflict. No conflicting, varying or additional terms or conditions which may appear in any prior or subsequent purchase order or other document of the Vendor shall be of any force or effect and Natt Tools Group Inc hereby expressly rejects and objects to the same, the Contract being the complete agreement of the parties.

### **4. Modifying the Terms and Conditions**

No modifications (whether they are deletions, additions or variations and whether they are proposed by Natt Tools Group Inc or the Vendor) shall be made to the terms and conditions of the Contract nor shall any material specified in the Contract be substituted unless expressly agreed to by Natt Tools Group Inc.

### **5. Prices**

Natt Tools Group Inc will pay the prices as specified in the Purchase Order for the Goods and said price shall represent the total cost to Natt Tools Group Inc including, without limitation, shipping, insurance, handling and storage, duties and sales, use, excise or other applicable taxes. The prices as indicated are in Canadian funds unless otherwise specified in the Purchase Order or agreed upon in writing by Natt Tools Group Inc. If a price is not stated in the Purchase Order, the price must not exceed the last amount quoted by the Vendor to Natt Tools Group Inc. for similar quantities and quality.

### **6. Shipping Instructions**

The Vendor must comply with best commercial practices to ensure that Goods arrive safely, in good condition and within the required delivery schedule at the destination. All Goods shall be securely packed for shipment with a packing slip enclosed. The Purchase Order number must be clearly marked on all packing and shipping documentation and all invoices. All Goods must be shipped freight prepaid, F.O.B. destination, unless otherwise stated. Until delivery to Natt Tools Group Inc. is complete, the Vendor shall have the risk of loss and the cost of insuring Goods during shipment. Natt Tools Group Inc. shall not be responsible for the cost of insuring the Goods during shipment unless expressly agreed to do so in writing by Natt Tools Group Inc.

## **7. Delivery of Goods**

Subject to section 8, time is of the essence in the delivery of Goods and delays shall be reported immediately by the Vendor to Natt Tools Group Inc. in the event of delay. All Goods delivered will be subject to final inspections and acceptance by Natt Tools Group Inc. notwithstanding prior payment. Natt Tools Group Inc may refuse to accept or reject Goods not complying with the terms of the Contract. Title to and risk in Goods shall pass to Natt Tools Group Inc on delivery provided, however, that the risk of loss shall remain with the Vendor with respect to the Goods which are not acceptable and/or are rejected by Natt Tools Group Inc.

## **8. Delay or Suspension or Early Termination**

By advising the Vendor, Natt Tools Group Inc. may at its sole option, at any time and from time to time:

- (a) Delay or suspend the delivery of Goods under the Contract, in the whole or in part, for such period of time as may, in the opinion of Natt Tools Group Inc, be necessary. Where there is such a delay or suspension by Natt Tools Group Inc, all terms and conditions of the Contract shall continue in full force and effect against the Vendor, except for scheduled performance or delivery dates which shall be postponed accordingly; or
- (b) Withdraw or terminate a Purchase Order for Goods, in whole or in part, prior to delivery.

## **Changes**

Natt Tools Group Inc may at any time make changes to the Goods requisitioned in a Purchase Order, including changes to quantities, specifications, delivery schedule or place of delivery, and will notify the Vendor of such changes. If the changes affect the cost of the Goods, or the time required for the Goods to be delivered or performed, the Vendor must request an adjustment in writing before the Vendor ships or delivers the Goods. If no adjustment has been requested by the Vendor within 5 days after having received Natt Tools Group Inc's notice, Natt Tools Group Inc will deem the Vendor to have agreed to make the changes without any adjustment to the price, delivery dates or schedule. If the Vendor requests an adjustment to pricing or timing in relation to Natt Tools Group Inc requested changes, Natt Tools Group Inc shall have the right to accept such amended pricing and dates or has the option to terminate the remaining purchase obligations under the Purchase Order.

## **9. Indemnifications and Liability of Vendor**

The Vendor will indemnify and save harmless Natt Tools Group Inc, its directors, officers, employees and agents, from and against all claims, losses, expenses, damages, causes for actions and liabilities of every kind and nature arising from or out of:

- (1) Any breach of any of the Vendors' obligations or warranties;
- (2) Any omissions/misrepresentation by the Vendor, its offices, employees, agents or subcontractors, whether negligent or otherwise;
- (3) Any actual or alleged infringement of patents, trademarks, copyrights or other intellectual property with respect to any Goods.

## **10. Force Majeure**

The Vendor is not liable for default or delay due to causes beyond the Vendor's reasonable control and without fault or negligence on the part of the Vendor. The Vendor must give Natt Tools Group Inc prompt notice in writing when any such cause appears likely to delay delivery of Goods and must take appropriate actions to avoid or minimize such delay. If any such default or delay threatens to impair the Vendor's ability to meet delivery requirements for its Goods, Natt Tools Group Inc is entitled to cancel the portion or portions of the Purchase Order so affected, without any liability to Natt Tools Group Inc or the Vendor. Natt Tools Group Inc is not liable for default or delay in performing its obligations due to causes beyond its reasonable control.

## **11. Default and Termination**

In addition to Natt Tools Group Inc, other rights under the Purchase Order and without restricting any other remedies available, Natt Tools Group Inc may, by providing notice to the Vendor, immediately cancel the whole or any part of, the Purchase Order in the event that the Vendor fails to perform any of its obligations under the Purchase Order when due, or if bankruptcy or insolvency proceedings are instituted by or against the Vendor.

## **12. Survival**

Notwithstanding the performance or termination of the Purchase Order, the provisions and obligations which would be contemplated to survive a termination, including Section 10 and section 14 through 18 shall continue to apply.

## **13. Confidentiality**

Vendor agrees not to disclose to others or to use any confidential or proprietary information and/or materials of Natt Tools Group Inc acquired in connection with the performance of the Purchase Order, and will protect the same using no less than reasonable care.

## **14. Assignment & Binding**

The Purchase Order binds and ensures to the benefit of the parties and their respective successors and assigns provided that Vendor may not transfer, assign or subcontract any of its rights or obligations hereunder, in whole or in part, without the prior written consent of Natt Tools Group Inc which shall be in Natt Tools Group Inc sole discretion. Natt Tools Group Inc may transfer or assign the benefits of the Purchase Order, in whole or in part, including the Vendor's warranties and indemnities, without approval of the Vendor.

## **15. Waiver & Severability**

Failure by Natt Tools Group Inc to enforce any term hereof shall not be deemed a waiver of future enforcement of that or any other term. If any provision herein is held invalid, unlawful or unenforceable to any extent, such provision shall be severed from the remaining provisions which shall continue to be valid to the fullest extent permitted by law.

## **16. Warranties**

The Vendor expressly warrants that all Goods purchased under the Purchase Order are new and conform to the Purchase Order and all applicable specifications and are free from defects in material, workmanship and design, and are of a quality satisfactory to Natt Tools Group Inc. The Vendor warrants that the Goods supplied under the Contract have been produced and supplied in compliance with all applicable federal, provincial and local or municipal laws, orders, rules and regulations. The Vendor will extend all warranties relating to the Goods that it receives from its vendors to Natt Tools Group Inc and to Natt Tools Group Inc customers.

## **17. Payment**

Natt Tools Group Inc will remit payment to the Vendor via mailed cheque or Electronic Funds Transfer unless otherwise mutually agreed upon. Standard terms of "net 30 days" apply unless otherwise noted by Natt Tools Group Inc on or in the Purchase Order document. Payment for Goods will only be made once accepted by Natt Tools Group Inc in accordance with section 7.

## **18. Governing Laws**

The Contract shall be interpreted, performed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties irrevocably attorn to the jurisdiction of the courts of Ontario with respect to any matter arising under or related to the Purchase Order.