



BRP STANDARD TERMS AND CONDITIONS

- 1. ORDER&AGREEMENT.** These terms and conditions are made part of the attached purchase order, scheduling agreement or release ("Order") issued by Bombardier Recreational Products Inc, BRP US Inc. or any of their subsidiaries, affiliates or related entities (hereinafter, collectively and individually referred to as "BRP") to the supplier identified in the Order ("Supplier"), to purchase certain goods, tooling and/or services described in the Order ("Products"). Orders may be issued electronically and are therefore valid even if they are not signed. Quantities and delivery dates in a scheduling agreement outside otherwise agreed upon lead times are for forecasting purposes only and are not binding on the parties. From time to time, BRP may issue releases under a scheduling agreement that commit the parties to specific quantities and delivery dates. The Order is binding on the parties when Supplier either (1) returns written acceptance, (2) makes any shipment of Products to BRP, or (3) accepts the Order in any other manner, including without being limited, launching production of the Ordered Products. Supplier shall be deemed to have accepted the Order unless it has notified BRP otherwise within three (3) business days of receipt. By accepting an Order, Supplier agrees to the terms and conditions on its face as well those contained herein and, unless otherwise governed by a supply agreement, the terms of the accepted Order shall constitute the entire agreement between the parties ("Agreement"). Without limiting its liability, Supplier shall notify BRP immediately if it is unable to fulfill any terms of the Order. In the event of a conflict between any of the terms on the face of an Order with those contained herein, the former shall control. The Order is not an acceptance of any offer made by Supplier and should be considered as the initial offer and any additional terms in any proposal, quotation, invoice, acknowledgement or other communication from Supplier are hereby objected to and rejected and are not binding on BRP.
- 2. PRICE.** The total price of the Products shall be as stated in the Agreement and unless otherwise specified therein, the price for Products shall be firm fixed. No additional charges or assessments of any kind (including, without limitation, freight/shipping charges, surcharges or taxes) will be allowed unless such charges are clearly specified in the Agreement. Supplier represents that the prices, discounts, and allowances extended to BRP on Products are no less favorable than those currently extended to any other customer of Supplier for the same or similar articles in equal or lower quantities. BRP reserves the right to make changes in drawings and specifications to any Product covered by the Order and Supplier agrees to make those changes. Supplier shall notify BRP within ten (10) business days of such change request of any impact on delivery, lead time or of a substantial price difference resulting from such changes, which shall be negotiated by the parties. If Supplier fails to notify BRP of any price increase within such period, Supplier shall waive such price increase request. Any modifications of drawings or specifications related to existing Products shall have no other impact on the validity of the Order. Prices for any special tooling or equipment required must be identified in advance by Supplier and quoted separately.
- 3. PACKING&SHIPPING.** Unless otherwise specified in the Agreement, shipments are Incoterms® 2010 (ICC) FCA origin and prices shall include all fees and charges related to the packaging which shall conform to the electronic version of BRP's Logistics Handbook available at the time of shipment available on BRP's "Business Partners" section located on BRP's website <http://www.brp.com>. Furthermore, in compliance with BRP's Logistics Handbook, Supplier shall describe, mark, and pack Products in a manner appropriate to ensure the Products' protection until delivered to BRP. A bill of lading shall be sent to BRP on the day of shipment. Supplier shall comply with BRP's routing instructions, if any. If Supplier fails to follow BRP's routing instructions or Logistic Handbook, Supplier shall compensate BRP for any resulting costs.
- 4. DELIVERY. TIME IS OF THE ESSENCE** as to Supplier's supply of Products and Supplier shall be responsible for any related damages, including but not limited to any costs of non-delivery, delay, cover, shortage, overage or line stoppage. All Products shall be delivered in the quantities, to the location(s) and on the date(s) set forth in the Agreement within the specified lead times. Products received in advance may be held or returned at Supplier's risk and expense. If Product is held, BRP's obligations shall run from the scheduled delivery dates. Without limiting its liability under the Agreement, Supplier shall immediately notify BRP of any anticipated failure to deliver Products in a timely manner. Upon receipt of such notice, BRP may, at its sole option, cancel or reschedule the related Order.
- 5. QUALITY.** Supplier, at its expense, shall supply Products in accordance with good manufacturing practice and in compliance with the Agreement and BRP's specifications and quality assurance requirements, including but not limited to the latest version of the BRP Supplier Quality Manual available on BRP's "Business Partners" section located on BRP's website <http://www.brp.com>. Products are subject to inspection and acceptance at BRP's location notwithstanding any prior payment. Non-conforming Products may be held or returned at Supplier's risk and expense. Supplier specifically agrees to pay BRP all costs related to rejection of Products. Supplier shall not repair or replace non-conforming Products unless BRP so directs. BRP reserves the right to make repairs on defective Products and to charge Supplier any costs incurred by BRP. Supplier agrees to provide BRP with advance written notice in due time of any intention to implement a Product or process change or any change in its production site and cannot implement such change unless supported by a PPAP recertification and approved in writing by BRP. Supplier will also inform BRP of any deviations in the Product and shall not deliver such Product before written approval from BRP. BRP may, from time to time, inspect and audit the operations of Supplier, its subcontractors or vendors, upon prior reasonable notice. Upon notice to Supplier, BRP may also maintain personnel at any Product production site to monitor quality, which Supplier hereby agrees to facilitate. BRP agrees to abide by any reasonable safety or confidentiality requirements with respect to such site which shall in no event hinder such required inspection. Supplier's quality assurance system must be in compliance with the latest ISO 9001 standard.
- 6. SAMPLES&PROTOTYPES.** If samples or prototypes are required pursuant to the Agreement, Supplier shall not proceed with the fabrication or furnishing of the balance of the Products called for in the Agreement until BRP has expressly approved in writing such sample or prototypes.
- 7. BILLING.** Supplier shall issue invoices, bills of lading and packing lists in accordance with BRP's requirements. Such documents shall include Supplier's packing list number, BRP's order number, part number, item number, English description, invoice quantity and unit of measure. Supplier's invoices shall also include country of origin, unit price and total invoice amount, with any tax and permitted surcharges itemized. Time periods for payment and discounts shall begin upon receipt of both conforming Product and complete and accurate invoices and all supporting documentation. Errors, omissions or irregularities on invoices shall suspend the term of payment pending their correction.
- 8. TAXES&CUSTOMS.** Prior to delivery, Supplier shall be solely liable for any taxes, duties, customs or assessments in connection with the sale, purchase, transport, use or possession of Products, exclusive of sales tax. If Supplier improperly exports or imports Products, Supplier shall be responsible for all damages, penalties, fines, assessments or costs BRP incurs. Supplier will inform BRP as soon as it is made aware that it is being audited by tax, customs or any other governmental authority which may in any way impact or be related to BRP. Furthermore, Supplier will inform BRP as soon as it is aware of any importation/exportation related non-compliance relative to the Product. If BRP is eligible for any refund mechanism with respect to customs or taxes, Supplier shall cooperate with BRP and provide all necessary documentation and information needed to obtain such refund. Supplier undertakes to keep all documents related to the Agreement for a period of ten (10) years and provide them to BRP upon request. Furthermore, Supplier shall provide all certificates, specific forms or additional information requested by BRP, such as but not limited to, K32A – Certificate of Importation, Sale or Transfer (Canadian Supplier only), Free Trade Agreement certificates, Origin Confirmation Declaration, or any other document required for importation or exportation, such as any documents required by governmental agencies. All goods must clearly be marked in compliance with all applicable laws, including namely full English name of the country of origin ("MADE IN" or "ASSEMBLED IN").
- 9. WARRANTY.** Supplier warrants that Products are: (a) new and unused; (b) merchantable and free from defects in materials and workmanship for the consumer warranty period applicable to the BRP product containing the Product, except for any latent defect and any warranties that survive such period under applicable law; (c) free from defects in design (unless specifically designed by BRP); (d) free and clear of all liens and encumbrances, marketable title being in Supplier; (e) in strict conformance to the specifications, drawings, and descriptions in the Agreement, any approved samples (f) fit and sufficient for their intended purpose to the extent Supplier knows or has means to know of such purpose; (g) in compliance with the standards in Supplier's industry and with all applicable laws, rules or regulations; and (h) in the case of services, performed in a professional and workmanlike manner. The foregoing warranties shall survive delivery, acceptance, inspection, testing, payment and use of Products and shall run in favour of BRP, its customers and any subsequent owners or users of the Products. No disclaimer of warranty, limitation of warranty or liability or exclusion of damages for breach of warranty appearing in any invoice or other form used by Supplier shall have any effect on the warranties contained in this Agreement. However, Supplier's warranty shall not apply to Products which have been subject to accident, misuse, abuse, vandalism, neglect or improper storage not related to any failure of the Parts.
- 10. DEFECTS.** Supplier shall immediately notify BRP of any actual or suspected defect in a Product, or other matter that may affect the safe or proper operation of a Product or its use in a BRP Product. Supplier shall promptly provide all relevant information to BRP and cooperate fully with the investigation and any rework, field retrofit or recall.

11. REMEDIES. Supplier shall reimburse BRP for all expenses it and its dealers incurred for repair, rework, or replacement of the Products as well as all costs associated with troubleshooting, inspection, handling, removal, installation, shipping and correction or replacement of any defective Products covered by the warranty. Furthermore, Supplier is responsible for the cost of any damage to Products caused by any non-conforming Products. BRP reserves the right to repair or replace, at Supplier's expense, any defective Part, which is not promptly corrected by Supplier. Supplier shall be responsible for all costs incurred by BRP due to any Product defect, recall, retrofit or other related action based on Supplier's acts or omissions. All remedies herein are cumulative and in addition to all rights and remedies provided by law or equity.

12. SPARE PRODUCTS. Supplier shall maintain a supply of Products and the capability to effectively service Products for at least ten (10) years from the date of last shipment for production and to sell them to BRP at a price equal to the last valid Order subject to reasonable setup or necessary particular packaging costs. Thereafter, Supplier shall give BRP a twelve (12) months advance written notice of Supplier's election to stop supplying Products to allow BRP to order such quantity as it may reasonably require.

13. TOOLING. Any and all hardware, software, robotics, machinery, dies, molds, cavities, jigs, fixtures, gauges, tools, tooling, material, patterns, samples, prototypes, and any other property used to manufacture Products, which is owned, provided, charged to, or paid for by or on behalf of BRP in whole or in part ("**Tooling**") shall be and remain the exclusive property of BRP. Title to Tooling shall pass to BRP without regard to BRP's payment or performance of other obligations. Supplier and its suppliers shall not retain any lien, encumbrance or interest, nor attempt to encumber BRP's interest in the Tooling. Tooling shall be: (a) used exclusively to fill BRP orders; (b) maintained in good working condition at Supplier's expense; (c) subject to periodic accounting by Supplier at BRP's request and inspection by BRP; (d) identified as to location and not be moved without BRP's prior written approval; (e) not scrapped or destroyed without BRP's prior written approval – any revenues made from scrapping will be offset against the costs of scrapping and any profit made thereof shall be refunded to BRP; (f) located at the agreed upon location and not be moved without BRP's prior written consent; and (g) promptly returned (including any components or spare parts) in the same or better condition, reasonable wear and tear excepted, at any time upon BRP's request. Supplier agrees to assist in protecting and perfecting BRP's interest in the Tooling. Supplier waives any lien, right of set-off or counterclaim that might permit Supplier to refuse to deliver Tooling to BRP. All Tooling shall be conspicuously marked "Property of BRP" by Supplier, insured by Supplier and held at Supplier's risk while in Supplier's or its agent's control or possession. Supplier shall provide BRP with an updated tooling list on a yearly basis and agrees, upon request, to diligently execute BRP's **tooling agreement**

14. PRODUCT-RELATED TECHNOLOGY. All technology, software, data, drawings, specifications, and other proprietary information or materials concerning the Product, including copies and duplicates, ("**Technology**") provided by BRP to Supplier shall remain the property of BRP. Any Technology created (1) at the request of BRP, (2) in connection with Products sold only to BRP, or (3) based in whole or in part on information provided by BRP, shall be considered as ordered or commissioned by BRP as a contribution to a collective work, and be considered "work made-for-hire" and shall belong to BRP. To the extent such Technology may not be deemed "work made-for-hire," Supplier and its employees, subcontractors and agents hereby assign, and BRP accepts, on a paid-up basis, all right, title and interest in and to all such Technology. Supplier shall not seek any registration, patent, copyright or titling of such Technology in its name or for its benefit. Supplier shall promptly execute and deliver such documents and take such action as BRP may reasonably request to protect or perfect BRP's right, title and interest in the Technology. Supplier shall not supply to anyone other than BRP any Products designed in whole or in part by or exclusively for BRP.

15. TRADEMARKS. Supplier shall not use any trademark, trade name or service mark of BRP or its affiliates and shall not contest the validity of BRP's right to any trademarks, trade names or service marks used by BRP as its own.

16. FIRMWARE. If any Product includes pre-installed or embedded software programming and/or microcode (collectively "**Firmware**"), then Supplier will ensure that BRP is licensed the use of the Firmware at no separate charge, provided that BRP may only use and distribute Firmware together with the Part with which the Firmware was licensed and provided. BRP may not extract or copy Firmware embedded in a Product for any reason. If BRP transfers title to, leases, or loans any Product containing Firmware to any third party (including in connection with the sale or lease of an end product within which the Product is integrated), any necessary license rights to the associated Firmware installed on or used in connection with the Product are also assigned.

17. INFRINGEMENT. Except to the extent manufactured to BRP's specifications, Supplier warrants that the sale and use of Products will not infringe, directly or indirectly, any patent, trademark, trade name, trade secret, copyright or any proprietary right of another. If any Product or the use thereof is held to infringe any proprietary right and its use enjoined, Supplier shall, at its expense, procure for BRP and its customers the right to continue using

said Product or replace said Product with a substantially equal, but non-infringing product acceptable to BRP. If further use of the Product is not possible, Supplier shall accept return of any unsold Product and refund to BRP all Product costs, including but not limited to the purchase price and transportation costs.

18. INDEMNIFICATION. Supplier shall indemnify, defend (with counsel satisfactory to BRP) and hold BRP, its parents, affiliates, subsidiaries, and their respective officers, directors, employees, successors, assigns, insurers, customers and agents ("**Indemnified Persons**"), harmless against any and all claims, demands, actions, causes of action, liability, losses, damages, costs, expenses and reasonable attorneys' fees, which an Indemnified Person may incur in any way related to a Product, Tooling, or Supplier's performance or negligent acts or omissions, including without limitation claims for personal injury, breach of warranty, infringement, strict liability, property damage, defect, or based on warning, instructions or government action. Supplier agrees that its obligations herein shall survive the termination or expiration of the Agreement. The indemnification contained in this Section shall not pertain to design defects, to the extent the Products were manufactured by Supplier to BRP's design.

19. INSURANCE. Supplier shall maintain an occurrence-based commercial general liability insurance, including but not limited to products liability coverage, which (i) names the Indemnified Persons (as defined above) as additional insured; (ii) is issued by insurers rated A- or better by A.M. Best; (iii) provides coverage for (a) bodily injury and property damage liability with "each occurrence" limits of an amount not less than three million US dollars (US\$ 3,000,000), (b) for US Based Supplier, "Workers compensation" in the minimal amount required by law, (c) for Supplier supplying Products for BRP's manufacturing lines, "All Risk Property" in the minimal amount sufficient to cover property damages and business interruption losses for a minimum of six (6) months, and (d) for carriers, freight forwarders and similar Suppliers, "Cargo", in the minimal amount sufficient to cover cargo losses of Products being delivered to or for BRP; and (iv) is maintained during the term hereof and for five (5) years thereafter. Upon request and at least annually during the term of the Agreement, Supplier shall provide BRP with certificates of insurance evidencing such coverage. Supplier shall require its insurer(s) to provide notice in writing to BRP at least sixty (60) days before any reduction in coverage, cancellation or non-renewal. If Supplier fails to maintain the insurance required herein, BRP may purchase such insurance on Supplier's behalf and offset or otherwise obtain reimbursement from Supplier for its related incurred costs.

20. COMPLIANCE WITH LAWS & SUPPLIER CODE OF CONDUCT. Supplier and its subcontractors, at its expense, shall comply with all laws, regulations and requirements applicable to the Product, the supply of Products to BRP or Supplier's performance hereunder, including without limitation, (i) export and re-export control laws and regulations and (ii) privacy and data protection laws, rules and regulations. Supplier and its subcontractors shall comply with all wage, workers compensation, equal opportunity and reporting obligations and with all rules and regulations related to customs requirements. Supplier shall provide fully-completed Products related certificates such as but not limited to REACH, asbestos-free declarations, required information related to the origin of any conflict mineral such as gold, tin, tantalum, and tungsten ("3TG") contained in the Product and other applicable certificates and comply with all related requirements. Supplier and its subcontractors shall abide and act in compliance with the latest version of the BRP Supplier Code of Conduct available on BRP's "Business Partners" section located on BRP's website <http://www.brp.com>.

21. CONFIDENTIALITY. Supplier may have access to certain proprietary or confidential information of BRP or its customers. Supplier agrees to hold such information in confidence and to use said information only for its performance under the Agreement and not for any other purpose or disclosure to any third party. The parties shall comply with any existing confidentiality agreement between them, which is incorporated herein and shall remain in full force and effect. Supplier shall not make any public acknowledgement or disclosure concerning the Agreement or its supply of Products to BRP.

22. TERMINATION. BRP may terminate any Order at any time for cause and without cost or penalty in the event: (a) any Products are defective; (b) Supplier fails to comply with any terms of the Agreement; (c) Supplier becomes insolvent, is subject to a bankruptcy proceeding or makes an assignment for the benefit of creditors; or (d) Supplier ceases or suspends its normal business operations. BRP may terminate any Order at any time without cause and if, at the time of termination, Supplier has Products in inventory, BRP's sole liability shall be to pay for Products shipped pursuant to the Agreement prior to termination. If such terminated Products were manufactured to BRP's specifications, then, upon notice, Supplier shall cease all performance related to such Products (unless otherwise directed by BRP) and BRP shall pay Supplier its actual costs for work and materials incurred in accordance with the Agreement, consistent with applicable lead times. If the termination is made outside of the period corresponding to the sum of the Material Lead Time and the Manufacturing Lead Time ("**Total Lead Time**"), the termination shall be without cost to BRP. If the termination is made within (the period Supplier needs to purchase raw materials for

the manufacturing of the Products, as provided in the Agreement ("**Material Lead Time**") , then BRP will be responsible for the cost of the raw material that was ordered in conformity with the Material Lead Time as of the date Supplier was notified of the termination, but only to the extent that the order for raw material could not have been reasonably terminated, changed or otherwise consumed and that such raw material conforms to the quality requirements of the Agreement. If the termination is made within the period Supplier needs to manufacture, test and deliver Products in quantities requested by BRP, as provided in the Agreement ("**Manufacturing Lead Time**"), then BRP will compensate Supplier for any finished Products and work-in-process that were finished or in process in conformity with the Manufacturing Lead Time on the date Supplier was notified of the termination, and provided such Products and work-in-process conform to the quality requirements of the Agreement and the specifications. Upon such payment, title to any work, materials and Products shall pass to BRP.

23. FORCE MAJEURE. Neither party will be held responsible for a breach, delay or failure of performance of any obligation hereunder that results from a Force Majeure. The term "**Force Majeure**" includes war, act of God or natural disaster (e.g. fire, earthquake or flood), or governmental action not due to the fault of the party (e.g. embargo). Any Special Circumstance beyond Supplier's control shall also be discussed and considered in Supplier's performance. A "**Special Circumstance**" is an event emanating from Supplier's third parties impacting its logistic or manufacturing operations or procurement. In the event of a Force Majeure or Special Circumstance, Supplier agrees to do all such things necessary and reasonable in the circumstances in cooperation with BRP to carry out its obligations under this Agreement and take any possible and reasonable steps to minimize and mitigate any loss or damage which may be incurred by BRP. To that effect, Supplier will provide BRP within three (3) Days of a Force Majeure or Special Circumstance a detailed written description of its work-around plan, alternative sources or transportation, and any other means it will, at its own cost, use to prevent such further delay or disruption duly executed

by its Chief Financial Officer or equivalent authority or executive officer. If BRP's operations are in any way delayed or impacted due to a Force Majeure for more than one (1) week, BRP may upon written notice to Supplier with respect to the undelivered Products, terminate the Agreement in whole or in part without any liability.

24. WAIVER AND AMENDMENT. Failure to require strict performance of any provision of the Agreement shall not constitute a waiver or default by a party or diminish that party's right to subsequently demand strict compliance therewith. No modification of the Agreement shall be enforceable unless in writing and signed by an authorized representative of BRP.

25. ASSIGNMENT. Except as otherwise provided between the parties, Supplier shall not assign or subcontract any of its rights, duties or obligations hereunder without BRP's prior written consent. Such consent shall not relieve Supplier of its obligations under the Agreement.

26. HEADINGS; GOVERNING LAW. The headings herein are for convenience only and shall not affect interpretation. The Agreement shall be governed by and construed in accordance with (i) the laws of the State of Wisconsin, if the Agreement is made with BRP US Inc., or with (ii) the laws of the Province of Quebec if the Agreement involves any BRP entity other than BRP US Inc. (without regard to conflict of law provisions thereof). The *United Nations Convention on Contracts for the International Sale of Goods* shall not apply to the Agreement. BRP reserves the right to impose additional terms on Products purchased or used beyond the boundaries of the United States of America.

27. SEVERABILITY. If any provision of this Agreement is declared unenforceable under applicable law, the affected provision will be considered omitted or modified to conform to applicable law and all other provisions will remain in full force and effect.

28. ENGLISH LANGUAGE. The parties hereto have agreed that this Agreement and all other documents referred to herein be written exclusively in English. Les parties reconnaissent avoir exigé que cette entente et tous les autres documents y relatifs soient rédigés exclusivement en anglais.