

Terms & Conditions for Purchases

HS Spring (the "Buyer") and the provider of any goods (the "Goods") pursuant to this Purchase Order (the "Seller") hereby agree to the following terms and conditions with respect to this Purchase Order.

1. Exclusivity of Terms and Conditions

This Purchase Order is subject to the Terms and Conditions contained herein. These terms and conditions operate to the exclusion of all others. No variation from or addition to these terms and conditions is effective or binding upon the Buyer without the Buyer's express written consent. Failure of the Buyer to object to any different or additional term or condition shall not institute a waiver of the foregoing. The waiver of strict compliance with or performance of any of these terms and conditions or of any breach thereof on the part of either party shall not be deemed to be a waiver of any subsequent failure to strictly comply with or perform same or of any other term or condition herein or any subsequent breach thereof.

2. Deemed Acceptance of Terms and Conditions

The Seller is deemed to accept these terms and conditions upon acceptance of this Purchase Order. The terms and conditions shall be binding upon and inure to the benefit of the parties hereto and their successors or assigns.

3. Price

The Buyer shall not be required to pay prices higher than stated on this Purchase Order. The price as charged for the Goods covered by this Purchase Order shall be the lowest prices charged by the Seller to buyers of goods of like grade and quality and such prices will comply with applicable government regulations. The Seller agrees that any price reduction made in the Goods covered by this Purchase Order subsequent to its placement, but prior to payment thereof, will be applicable to it. The Seller shall bear the costs for damage, carriage, freight, packing, storage and loading of the Goods covered by this Purchase Order,

4. Delivery

Time is of the essence in this Purchase Order. The delivery of the Goods covered by this Purchase Order must be at the time or times specified herein or by written instructions issued by the Buyer after the date hereof. Unless otherwise specified, all Goods shall be delivered in a single delivery. In the event of late delivery of any Goods covered hereunder, in addition to any rights which the Buyer may have at law, the Buyer may, at its option and without any liability on the part of the Buyer, terminate this Purchase Order, vary delivery terms hereunder and obtain the Goods from other sources or do any one or more of the foregoing. The Seller should immediately notify the Buyer whenever the Seller has reason to believe that any scheduled delivery will be late, setting forth the cause and extent of the anticipated delay.

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5. Inspection

The Buyer shall have a reasonable time after delivery to inspect the Goods delivered. All such Goods must conform to the specifications, instructions, drawings and data set forth herein, if specified, and to samples, whether furnished by the Seller or the Buyer, which have been approved by the Buyer, as well as to all of the Sellers' warranties (expressed or implied) and the Buyer may, in addition to any other rights which it may have at law, reject and refuse acceptance of any Goods which the Buyer, in its sole discretion, determines do not so conform. The Buyer shall notify the Seller of such rejection by either notice in writing or by the return to the Seller of the rejected Goods. The expense of returning rejected Goods to the Seller shall be at the Seller's sole expense and risk. The Buyer shall not be obligated to accept excess or partial shipments. Such shipments in whole or in part may be returned to the Seller at the Seller's sole expense and risk. If any specifications, instructions, drawings, data or sample supplied by the Buyer appears to be in conflict with another or is insufficient or unclear, it shall be the duty of the Seller to request clarification from the Buyer. The Buyer's rights under this paragraph shall survive the acceptance of and payment for the Goods and shall survive resale by the Buyer. The Seller shall be responsible for all expenses relating to defective Goods, including, without limitation, defective Goods used in Goods shipped to the Buyer's customers, or shipped to end users.

6. Applicable Law and Jurisdiction

All matters relating to or resulting from any agreement for the purchase of Goods by The Buyer from The Seller shall be governed by:

- (a) the laws of the province of Ontario, Canada, when the Buyer issues its Purchase Order from its facility in Ontario;
- (b) the laws of the state of Kentucky, United States of America, when the Buyer issues its Purchase Order from its facility in Kentucky; and
- (c) the laws of the state of Ohio, United States of America, when the Buyer issues its Purchase Order from its facility in Ohio.

7. Warranties

All written or oral statements of the Seller as to the functions, quality, suitability and use of the Goods are warranties of the Seller. The Seller expressly represents and warrants that the Goods provided under this Purchase Order shall be free from defects, of good materials and workmanship, merchantable, and fit for the general and particular purpose intended by the Buyer, and shall strictly conform to applicable specifications, instructions, drawings, data and samples. These warranties shall be in addition to all warranties, express, implied, or statutory. Neither inspection nor payment by the Buyer shall constitute a waiver of any breach of any warranty. All warranties shall be deemed to be made by the Seller to the Buyer, the Buyer's customers, and subsequent owners of the Goods covered hereunder or the end products of which they are a part. The Seller agrees at its expense and at the Buyer's option to defend or assist in the defense of any action against the Buyer, which action, in whole or in part, whether by way of claim, counter-claim, cross-claim, or defense, is based upon alleged breach of any of the Seller's representations or warranties, including, but not limited to, any action relating to a recall of end products of which the Goods are a part. The Seller agrees to indemnify the Buyer from its customers or subsequent owners for all liability, loss, cost and expense, including, but not limited to, reasonable solicitor's fees resulting from any breach of the said warranties. Notice of any breach of warranty shall be given by the Buyer to the Seller within in ninety (90) days after discovery thereof by the Buyer. The Seller shall be liable for all direct, incidental and consequential damages resulting from a breach of any of its warranties or any provision of this Purchase Order.

8. Changes

The Buyer shall have the right, at any time, to make changes in the drawings, design, specifications, quantities, samples, delivery schedules, methods of shipment or packing and place of inspection, acceptance and/or point of delivery of any Goods to be furnished under this Purchase Order. No change shall be effective unless authorized in writing by the Buyer. If such changes result in delay or an increase or

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decrease in expense to the Seller, the Seller shall notify the Buyer immediately and negotiate an equitable adjustment provided, however, that the Seller shall in all events proceed diligently to supply the Goods contracted for under this Purchase Order as so changed. No claim by the Seller for such equitable adjustments shall be valid unless submitted to the Buyer in writing within thirty (30) days from the date of such notice of change accompanied by an estimate of charges resulting from such change. Nothing in these terms and conditions constitutes a waiver by the Buyer to dispute any claim for equitable adjustment by the Seller on any and all grounds available at law to the Buyer.

9. Compliance with laws

The Seller represents and warrants that all Goods to be provided under this Purchase Order shall strictly comply with all applicable federal, provincial, state, local and, where applicable, foreign laws, regulations, rules, orders and ordinances, The Seller covenants to indemnify, save and hold the Buyer harmless from any and all costs, damages and expenses, including, but not limited to, necessary solicitors' fees, suffered, incurred or occasioned by the Buyer, directly or indirectly through any failure of the Seller to comply with any such applicable laws, regulations, rules, orders and ordinances.

10. Liens

All Goods to be provided hereunder shall be free and clear of any and all liens and encumbrances whatsoever.

11. Payment

Invoices and shipping documents shall be mailed, postage pre-paid, to the address shown on this Purchase Order. The Purchase Order number and quantity of Goods must appear on all shipping documents, invoices and correspondence. All Goods delivered after the twenty-fifth (25th) of the month shall be billed as of the first (1st) of the next month. The payment date and discount period will be calculated from the date the invoice is received by the Buyer, or the Goods are received by the Buyer, whichever is later in time, provided however, that the payment date and discount period shall be calculated from the scheduled date of delivery if the deliveries and invoicing are made ahead of schedule.

12. Risk of Loss

The risk of loss for Goods conforming to this Purchase Order shall be on the Seller until the Goods are delivered to the destination specified in the Purchase Order, regardless of whether the Buyer or the Seller is paying for the freight. The risk of loss for Goods not conforming to this Purchase Order shall be on the Seller at all times. The cost of return shipments, for whatever reason returned, shall be borne by the Seller.

13. Taxes

The Seller agrees to assume exclusive liability under all laws that impose taxes or other sanctions on the manufacture or the sale of the Goods to be furnished hereunder, or any component part thereof, or on any process or labour involved therein to pay any and all such taxes, except those that the Buyer specifically agrees or is by law required to pay. Any taxes to be paid by the Buyer shall be separately stated on the invoice. Prices shall not include any taxes for which the Seller can obtain or the Buyer can furnish exemption.

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14. Remedies

The remedies reserved to the Buyer herein, except where expressly stated to be exclusive, shall be cumulative and in addition to any other further remedies provided by law. No waiver of any breach of these provisions shall be deemed to construe a waiver of any other breach.

15. Assignment

Neither the Purchase Order nor any rights or obligations herein may be assigned by the Seller, nor may the Seller delegate the performance of any of its duties hereunder without, in either case, the Buyer's prior written consent. The terms and conditions of this Purchase Order shall bind any permitted successors and assigns of the Seller. Any consent by the Buyer to an assignment shall not be deemed to waive the Buyer's right to recoupment and/or set-off of claims arising out of this or any other transactions with the Seller or to settle or adjust matters with the Seller without written notice to its permitted successors and assigns.

16. Force Majeure

Either party to this Purchase Order shall be free from liability for failing to perform any obligation pursuant to this Purchase Order if such failure is caused due to acts of God, difficulties, fires, or other causes beyond reasonable control of the affected party. In the event that the Seller is unable to perform for such reasons beyond its reasonable control, the Buyer shall have the right to either extend the delivery dates until the Seller is able to perform or, in the alternative, the Buyer shall have the right to terminate this Purchase Order without penalty of damages.

17. Termination

In addition to any rights of the Buyer to terminate the Purchase Order contained herein, the Buyer shall have the right to terminate this Purchase Order if:

(a) the Seller fails to make any delivery in accordance with the agreed delivery date or schedule or otherwise fails to observe or comply with any of the instructions, terms, conditions or warranties applicable to this Purchase Order; or

(b) the Seller commits an act of bankruptcy or becomes insolvent; if a petition for a receiving order is filed against the Seller; if proceedings for a compromise or restructuring of the Seller's obligations to its creditors is commenced by the Seller or its creditors; or any proceeding for the winding up, liquidation or any other dissolution of the Seller, whether voluntary or involuntary, is instituted by or against the Seller under any applicable federal, provincial or state law. The Buyer may, in addition to any other right or remedy provided by the Purchase Order or by law, terminate all or part of this Purchase Order by telegraphic or other written notice to the Seller without any liability to the Buyer on account thereof.

18. Financial Information

The Buyer may require all financial statements from the Seller at any time during the term of this Purchase Order for the purpose of determining the Seller's financial responsibility. In the event of termination, the Buyer may purchase or otherwise acquire the Goods elsewhere on such terms or in such amounts as the Buyer may deem appropriate.

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