



## BRP STANDARD TERMS AND CONDITIONS

**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 the Order shall constitute the entire agreement between BRP and Supplier for each purchase order. The Scheduling Agreement contains the following terms and conditions: (1) makes the Scheduling Agreement that commit the parties to specific quantities and delivery dates. The Order is binding on the parties when Supplier either (i) 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 if it fails to notify BRP of its refusal to accept the business of the Order within five (5) days after receipt of the Order. If Supplier does not accept the Order, it will be deemed to have accepted the Order herein and, unless otherwise governed by 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

**PRICE.** Supplier, invoice, acknowledgment or other communication from Supplier are hereby accepted by and received by Buyer and are not binding on Buyer. 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 discounts and (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 Products are no less favorable than those currently extended to any other customer of Supplier or 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. **PACKAGING & 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 BRP's Logistics Handbook provided to Supplier or its latest version available at the time of shipment on BRP's Business Partner Portal 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 and handling. Supplier shall comply with BRP's routing instructions, if any. If Supplier fails to follow BRP's routing instructions or Logistics 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. Product is held. BRF's obligations shall run from the scheduled delivery dates. Without limiting Supplier's liability to BRF, Supplier shall immediately notify BRF of any anticipated failure to deliver Products in due time upon receipt of such notice. BRF 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 shared version of the BRP Supplier Quality Manual or its latest version available at the time of shipment on BRP's Business Partner Portal located on its 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, returned at Supplier's risk and expense. Supplier's products are subject to any and all cost related to rejection of product or product recall by Supplier and repair of non-conforming products. Supplier shall be responsible for the cost of repair of defective product and to change the product, any cost 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 BRP production facility to inspect and audit the quality of the product. Supplier's quality assurance system must be in compliance with the latest ISO 9001 standard, which shall in no event under such required inspection. Supplier's quality assurance system must be in compliance with the latest ISO 9001 standard,

6. **SAMPLES & PROTOTYPES** Supplier shall provide samples or prototypes 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.

**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 or 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

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 drawings, specifications, and approvals of the Supplier; (f) fit and suitable for the intended use, extended life, and extended use as described; (g) in conformity with all applicable laws; (h) in conformity with all applicable laws and regulations; and (i) 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

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

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, shall be and remain the exclusive property of BRP. Any and all property of BRP, including but not limited to tooling, shall be used solely for the production of Products. BRP shall not retain any lien, encumbrance or interest in any property of BRP, including but not limited to tooling, and shall not use any property of BRP for any purpose other than the production of Products. BRP shall maintain periodic accounting by Supplier at BRP's request and inspection by BRP of all revenues made from the sale of Products, including but not limited to revenues from scrapped or destroyed Products, and shall provide BRP with a copy of such accounting. Revenues made from scrapped or destroyed Products will be offset against the costs of scrapping and any profit made thereof shall be refunded to BRP, and (f) 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 the intellectual property of BRP by marking all tooling and equipment with BRP's name and logo, and to ensure that all tooling and equipment is conspicuously marked "Property of BRP" by Supplier, insured by Supplier, and held at Supplier's risk while in Supplier's or its agents' 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.

4.4. **PRODUCT-RELATED TECHNOLOGY.** All technology, software, data, drawings, specifications, and other proprietary information or materials concerning the Product, including copies and duplicates, (the "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 shall be owned by and for BRP. Supplier shall not use, copy, modify, or otherwise exploit the Technology for any purpose other than the manufacture of Products for BRP. 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 title 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/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

**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

**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 (a. Indemnified persons#) harmless against any and all claims, demands, actions, causes of action, liability, losses, damages, costs, expenses and reasonable attorneys' fees which Indemnified Person may incur in any way that results from or is caused by the negligence or performance of Supplier's obligations, including without limitation, claims for personal injury, breach of warranty, infringement, strict liability, property damage, claim, based on or within instructions or government action, supplier, including 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 insured, (ii) is issued by insurers rated better by A.M. Best than 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) or US Based Supplier, #Workers compensation# in the minimal amount required by law, (c) or Supplier supplying Products for BRP's manufacturing lines, #A# 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 insurers 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

10. **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 ("3TGs") 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> and align with BRP's Conflict Mineral Policy available on BRP's Ethics & Compliance section located on BRP's website

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

the supply of Products to BKP. BKP 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. BKP may terminate any Order at any time without cause and if, at the time of termination, Supplier has Products in inventory, BKP's sole liability shall be to pay for Products shipped pursuant to the Agreement prior to termination. If such terminated Products were manufactured to BKP's specifications, then, upon notice, Supplier shall cease all performance related to such Products unless otherwise directed by BKP and BKP shall pay Supplier its actual costs for work and materials incurred in accordance with the Agreement, consistent with the termination of the Order. If the termination is made within the period of the Order, then Supplier shall be responsible for the cost of the raw material. If the termination is made after the period of the Order, then Supplier shall be responsible for the cost of the raw material. If the termination is made without cost to BKP, 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 BKP 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 was used in the manufacturing of Products to BKP. If the termination is made after the period of the Order, then Supplier shall be responsible for the cost of the raw material. If the termination is made as provided in the Agreement, **(Manufacturing Lead Time)**, then BKP 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.

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 considered in Supplier's performance. **Special Circumstance** is an event emanating from Supplier's third parties impacting its logistics or manufacturing operations and circumstances beyond Supplier's control. Supplier agrees to sign and execute the following conditions and reasons for the Special Circumstance 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.** 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 involves only BRP entities, and (ii) the laws of the Province or Quebec if the Agreement involves a 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.