

BMT CANADA LTD. CONDITIONS OF PURCHASE

1 GENERAL

All orders by or on behalf of the Company for goods or materials or for the execution of works or services and any variation or amendment thereof are given or made subject to these Conditions; any other term or any conditions put forward by the Contractor which are inconsistent with these Conditions shall be void unless specifically agreed in writing by the Company. The following definitions apply:

the "Company" shall mean BMT Canada Ltd.

the "Contractor" shall mean the supplier or seller

the "Contract" shall mean and include all obligations arising from the acceptance of the order on the face hereof and any addition or variation agreed in writing

2 TIME AND DELIVERY

The Contractor shall complete its obligations under the Contract by the time there specified ("The Completion Date") and time shall be of the essence of the Contract so that if the Contractor fails to complete its obligations by the Completion Date the Contractor shall pay the Company liquidated damages at the rate specified in the Contract, or, if no rate is there specified, at such rate as shall compensate the Company for losses arising from the failure. The Contractor shall not be liable for failure to perform any obligation under the Contract to the extent that performance is prevented or delayed by war, insurrection, riot, fire, floods, industrial disputes other than by the supplier's own workforce, or government intervention or any similar cause beyond the control of the Contractor, provided that (a) the Contractor shall have given the Company written notice of such event having occurred as promptly as possible and in any event within seven days of its occurrence and (b) the Contractor shall have used every reasonable effort to mitigate the effects of the event and to complete its obligations as promptly as possible not withstanding its occurrence.

3 INSPECTION AND RIGHT OF ACCESS

The Company, their customers or their customers' representatives shall be entitled to a right of access to the Contractor's and his subcontractors' premises at all reasonable times for the purpose of checking progress and carrying out or witnessing tests and/or procedures. Reasonable assistance will be given to the Contractor for inspection and right of access to the Company's premises.

4 GUARANTEE AND DEFECTS LIABILITY

Notwithstanding anything done or omitted to be done on the part of the Company which would otherwise constitute or be deemed to constitute acceptance of the design, goods or materials and/or works or services and without prejudice to any other right of the Company, if any fault of design, materials or workmanship shall occur within a period of 12 months of (i) their delivery in the case of goods, or (ii) completion in the case of services, or (iii) the date upon which any vessel, machinery or structure for the construction of which they are intended has been delivered by the Company (whichever is the later), then due to the design, goods, materials, works or services not being in accordance with the Contract, the defective design, goods or materials shall, at the option of the Company, either be replaced or the defective workmanship or services made good at the expense of the Contractor at any place directed by the Company. Any goods or materials replaced or any defective workmanship or services made good shall be guaranteed for a further period of 12 months. For the avoidance of doubt, the above guarantee shall not affect the rights of the Company under statute or any other law.

5 PATENTS ETC.

The Contractor shall indemnify and hold harmless the Company against all claims made against the Company and against all liability in respect of any claim made by any Third Party for an infringement of letters patent, registered design, trade mark, copyright, knowhow, licence or any similar rights in respect of the manufacture, sale and/or use of any goods, materials or process comprised in the Contract for the performance thereof and for all costs and expenses incurred by the Company in connection therewith. The Contractor warrants there is no infringement of any such rights and that all licences or other permits necessary for the performance of the Contract have been granted.

6 CONFIDENTIAL INFORMATION

Any information derived from the order or items supplied to the Contractor shall be regarded as confidential and shall not be published or disclosed to any third party or be used by the Contractor otherwise than for the Contract, unless there is a specific agreement in writing from the Company. Contractor shall limit access to confidential information to employees required to access for the performance of this Contract. This clause shall survive this Contract.

7 ITEMS SUPPLIED, e.g. DRAWINGS, PATTERNS

All drawings, patterns or tooling of any nature and all written instructions, specifications and other technical information supplied by the Company or produced by the Contractor in connection with or for the purpose of performing the Contract shall be the property of the Company and shall if required by the Company be returned to it after the completion of the Contract. The Contractor shall be responsible for the safe custody of all such items supplied.

8 PAYMENT

Invoices will be submitted monthly in arrears or on completion of the work, as required by the Company.

Unless otherwise agreed invoices will be payable within 30 calendar days of the date of receipt of the invoice.

Unless otherwise stated, all prices are in Canadian Dollars.

9 COMPANY'S MATERIAL

Where the Company or its agent issues goods or materials free of charge to the Contractor, such goods or materials shall be and remains the property of the Company and shall be maintained by the Contractor in good order and condition. The risk in such goods and materials shall be the Contractor's and shall be insured accordingly. Where there are surplus goods or materials these are to be disposed of in accordance with the instructions of the Company.

10 RELATIONSHIP

The Contractor (and/or its staff) shall not be an employee of the Company during its engagement under this Agreement and the Contractor shall be responsible for the payment of all income taxes and insurance contributions in relation to the remuneration payable under this Contract, and the Contractor shall indemnify the Company against all claims made upon the Company in relation thereto. This clause shall survive termination of this Agreement.

11 DANGEROUS GOODS

Any goods and/or materials which are hazardous shall be marked with the appropriate international danger symbols and the name of the goods or materials in English. The Contractor shall observe all Canadian and International agreements relating to the packing, labeling and carriage of hazardous goods.

12 ADDITIONS AND VARIATIONS

The Company shall not be liable to pay for or be responsible for any additions or variations to the order, unless the Company confirms the same in writing.

13 WORKING CONDITIONS, RULES AND STATUTORY OBLIGATIONS

(a) The Contractor, its subcontractors and agents and all employees of such persons whilst engaged upon work at the premises of the Company or of any associated Company and/or on any vessel at such premises for any reason shall at all times observe and be bound by the rules, regulations and procedures for the time being applicable to the employees of the Company at those premises and shall in all respects fulfill, comply with and observe all statutory obligations, orders, bye-laws and other requirements applicable to those premises. These are available from the Company at the request of the Contractor.

(b) In particular, statutory obligations arising under the Health and Safety Legislation shall be complied with in the performance of this Contract.

(c) The Company requires the Contractor to act with integrity and in accordance with any relevant legislation in the Contract. The Company's Ethics Policy can be found at <http://www.fleetech.com/Documents%20&%20Resources/7/1828/3682/3682> and shall provide guidance to the Contractor and Contractor shall ensure that all employees engaged on work under this Order are aware of the Policy.

14 PLANT AND LABOUR

(a) If, at the express or implied request of the Contractor (or his sub-contractor or agent or any employee of any of them), the Company lends plant or provides labour then the Contractor shall indemnify the Company for all loss, damage, claims, demands or liability and all costs or expenses incurred in connection therewith arising from any act, neglect, default or breach of statutory or other duty on the part of the Company (or any servant or agent of the Company) in the course of such lending or providing of labour.

(b) The Contractor shall be responsible for the insurance, preservation and safe custody of his own plant, equipment and stores at all times.

(c) The Contractor shall be responsible for the proper stowage of all materials belonging to or in his use.

15 BANKRUPTCY AND LIQUIDATIONS

If a receiving order is made against the Contractor or if the Contractor shall enter into an arrangement or composition with its creditors or if the Contractor shall go into liquidation voluntarily or otherwise (except for purposes of amalgamation or reconstruction)) or if a receiver or manager of the Contractor shall be appointed, then the Company shall have the right to cancel the Contract forthwith without compensation to the Contractor and thereupon all goods or materials loaned or supplied to the Contractor in connection with the Contract (whether worked or not) shall be returned to the Company. The exercise of this right of cancellation shall be in addition to any other right of action or remedy of the Company.

16 THE CONTRACTOR SHALL INDEMNIFY AND HOLD HARMLESS THE COMPANY IN RESPECT OF:

(a) any and all loss, damage or expense suffered by the Company in consequence of any negligence or breach of statutory or other duty on the part of the Contractor, his subcontractor or agent or any servant of any of them in any way arising out of or connected with the performance of the Contractor;

(b) any defect in or incorrect assembly of any goods or works supplied or executed under or for the purpose of performing the Contract notwithstanding the same may have been inspected and/or accepted by the Company;

(c) all claims made against the Company by any third party including any servant or the personal representatives or dependants of any servant of the Company for any such negligence or breach of duty or defect or incorrectness referred to in 16(a) and (b) above;

(d) all claims made against the Company by any servant or agent of the contractor or by any servant or agent of any subcontractor or by the personal representatives or dependants of any such servant or agent for or in respect of the death of or of any damage, loss or personal injury incurred or suffered by such servant or agent arising from any cause whatever including fault, negligence or breach of duty on the part of the Company or of any agent or servant of the Company;

(e) all legal and other costs however incurred by the Company in connection with any such loss, damage or claim as aforesaid.

17 ASSIGNMENT AND SUBCONTRACT

The Contractor shall not assign or subcontract the whole or any part of the Contract without the prior written consent of the Company.

18 INSURANCE

The Contractor shall maintain insurance coverage in respect of the subject goods and services in such amounts and terms as the Company shall reasonably direct and shall provide proof of such upon request by the Company.

19 APPLICABLE LAW

The Contract shall in all respects be construed and operate as a Contract made in Ontario and shall be subject to the laws of Ontario.