

TERMS AND CONDITIONS

1. Offer and Contract:

The following terms, together with such terms as are set forth on the face of this Purchase Order, with such plans, specifications, or other documents as are incorporated by reference on the face of this order, and with such additional terms as are approved in writing by Buyer in a Change Notice issued by it to this order, constitute the offer of Buyer to Seller and shall, when accepted, constitute the entire order or contract between Buyer and Seller. Buyer hereby gives notice of its objection to any different or additional terms. Such order shall be deemed to have been accepted upon Buyer's receipt of the attached acknowledgment copy duly executed by Seller, upon Seller's shipment of the products identified herein, or (if such products are to be specially manufactured for Buyer) upon Seller's commencement of the manufacture of such products. Any reference herein to any proposal, quotation, or other communication by Seller shall, unless indicated to the contrary herein, be deemed to be limited to the description of the products and to be limited by the terms set forth or incorporated by reference herein.

2. Assignment; Subcontracting:

Neither party shall have any right to assign this order or any benefits arising from this order without the prior written consent of the other, and, unless otherwise agreed in writing, the rights of any assignee shall be subject to all set-offs, counterclaims, and other comparable rights arising hereunder. Seller shall not, except in the case of raw materials (including castings, forgings, and rough welded structures) or standard commercial items or except as otherwise agreed in writing by Buyer, delegate or subcontract all or substantially all of the work on any item or material to be furnished under this order.

3. Substitutions; Extras:

No substitutions of materials or accessories may be made without Buyer's written consent. No charges for extras will be allowed unless such extras have been ordered in writing by Buyer and the price agreed upon.

4. Information:

Unless otherwise agreed in writing between the parties, (I) any designs, drawings, specifications, or other manufacturing information furnished by Buyer to Seller shall be deemed to be confidential to Buyer and to have been furnished solely for the performance of this order and all copies of such information shall be returned to Buyer upon completion of the same, but (II) any designs, drawings, specifications, or other manufacturing information delivered by Seller to Buyer may be used for any purpose whatsoever. The foregoing shall apply notwithstanding the presence or absence of any contrary legend or statement on any of such information.

5. Terms of Payment:

Payment terms, subject to any contrary terms on the face hereof, shall be sixty (60) days computed from the later of (I) date of Seller's invoice or (II) Buyer's receipt of the products, together with any required documents, in apparently good order.

6. Compliance with Laws:

Seller's performance of work hereunder and all products to be delivered hereunder shall be in accordance with any and all applicable federal, provincial, municipal, and local laws and ordinances, and rules, orders, requirements, and regulations thereunder.

7. Title and Risk of Loss:

Title to, and risk of loss of, each product or part to be delivered hereunder shall, unless otherwise provided herein, pass from Seller to Buyer upon delivery of such product at the F.O.B. point designated on the face of this order.

8. Inspection and Testing:

(a) All material and work in progress shall be subject to inspection and test at all times and places and, when practicable, during manufacture as Buyer may direct. If any inspection or test, whether preliminary or final, is made on Seller's premises, Seller shall furnish, without additional charge, all reasonable facilities and assistance for safe and convenient inspections and tests required by the inspectors in the performance of their duty. All inspections and tests shall be performed in such manner as will not unreasonably delay the work. Buyer shall have the right to charge to Seller any additional cost of inspection and test when articles are not ready at the time inspection is requested by Seller. (b) Seller shall work within, and inspect to, tolerances and limitations specified on drawings and specifications covering the work and shall make such tests as are specified in the drawings or test specifications, unless deviation therefrom is authorized in writing by Buyer. (c) All shipments shall be subject to final inspection by Buyer after receipt by Buyer at destination. If material supplied or work performed by Seller is found to be defective, Buyer shall have the right to require prompt correction thereof either by Seller, at Seller's risk and expense, or, upon

authorization from Seller, by Buyer in its own plant. Buyer may backcharge Seller for the cost of any corrections made by it. If correction of such work is impracticable, Seller shall bear all risk after notice of rejection and shall, if so requested by Buyer and at its own expense, promptly, make all necessary replacements. If Seller fails to make such replacements promptly, Buyer may, by contract or otherwise, make the same and back charge to Seller the excess costs incurred by Buyer thereby. (d) Final inspection and acceptance by Buyer shall be conclusive except for latent defects, fraud, or such gross mistakes as amount to fraud or for any rights provided by any warranty of the product.

9. Changes:

Buyer shall have the right, from time to time, by its written Change Notices, and without notice to Seller's surety or sureties, if any, to make changes or additions, within the scope of this order, in or to (I) the drawings, specifications, or instructions for the work, (II) the quantity, or (III) the time or method of delivery or shipment. Should any change so ordered cause a material increase or decrease in the cost of, or the time required for, the performance of any part of the work under this order, an equitable adjustment shall be made in the order price or time of performance or both. Seller shall, however, as a condition precedent to any right to such adjustment, submit this written claim for such adjustment to Buyer within thirty (30) days after the receipt of Buyer's Change Notice or after any other action of Buyer with Seller considers to constitute a change. Seller shall, unless written instructions to the contrary have been received from Buyer, proceed with the work as changed without interruption and without awaiting settlement of any such claim.

10. Delivery; Delays:

The time or times of delivery specified in this order are of the essence of this order. Any delay will be excused only if (I) such delay is due to strike, fire, windstorm, riot, act of God, act of the public enemy, or other unforeseeable cause beyond the control and without the fault or negligence of Seller and if (II) Seller shall have notified Buyer in writing of the existence of such cause with five (5) days after the commencement of the delay, giving all pertinent information concerning such cause. Unless otherwise provided in this order, no delivery required hereunder shall be made more than seven (7) days prior to the applicable delivery date and Buyer shall have the right to return earlier deliveries at Seller's risk and expense or to charge to Seller and additional costs sustained because of the same.

11. Termination; Cancellation:

(a) Buyer shall have the right to terminate this order in whole or in part by written notice whenever it deems such action to be in its best interests. In the event of any termination other than a cancellation for default of Seller and only in such event, if Seller, at the time of such termination shall have in stock or on firm order any raw, semi-processed, or completed materials for use in fulfilling this contract or order, then (I) in the case of completed materials Buyer may, at its option, either require delivery of all or part of the completed materials and make payment therefore at the contract price or (without taking delivery thereof) pay Seller the excess, if any, of the contract price over the market price at the time of termination, and (II) in the case of raw or semi-processed materials, Buyer may, at its option, either require Seller to complete and deliver all or part of such materials at the contract price, or (without taking delivery thereof) pay Seller with respect to such raw or semi-processed materials which are properly allocable to this order or contract a proportion of the contract price based on the stage of completion of such materials and reduced by the value of such materials as such stage of completion, and (III) in the case of materials which Seller has on firm order hereunder, Buyer may, at its option, either take an assignment of Seller's rights under such order or pay the costs, if any, of settling or discharging Seller's obligations under such order. (b) The preceding paragraph (a) shall not limit any legal rights of Buyer to cancel this order by reason of any default by Seller, and Buyer further reserves the right to cancel this order without further liability for articles not accepted by Buyer in the event Seller commits an act of insolvency, files or has filed against it a petition under any insolvency statute, suffers any receivership or other similar petition to be filed for or against it, or makes a general assignment for the benefit of its creditors.

12. Warranty:

Seller expressly warrants that the products or services to be delivered or performed hereunder will comply with the descriptions set forth or incorporated by reference herein, will be free of defects in workmanship or material, will be merchantable, and will be fit for such purposes as are expressed in, or reasonably inferable from, the specifications, drawings, or other descriptions which are a part of this order. Supply of apparatus specified for elevator or escalator applications shall conform to the relevant requirements for this apparatus under ASME A17.1/B44 Safety Code for Elevators and Escalators, including local addendums and supplement in effect at time of delivery.

13. Liens:

Seller shall deliver the products which are the subject matter of this order to Buyer free and clear of all liens, claims, and encumbrances.

14. Patents:

Unless otherwise agreed in writing and except as provided below in this Article 14, Seller shall assume the defense of any suit for infringement of patents brought against Buyer or its vendees, direct or indirect, based upon the products purchased hereunder constituting a patent infringement, and Seller shall indemnify Buyer and such vendees against any decree or costs in such suit. Buyer shall indemnify Seller, to the same extent and in the same manner set forth above. The foregoing shall not apply in the event that the products are supplied according to Buyer's designs or in the event that the infringement results from modification of the products by Buyer or (unless Seller is a contributory infringer) from combination by Buyer with products not purchased hereunder.

15. Buyer-Furnished Property:

The following additional provisions shall, unless specifically otherwise agreed in writing, apply with respect to any and all tools, equipment, material or other property used in the manufacture of products for Buyer which, whether or not listed in this order, are supplied to Seller by Buyer or are specifically paid for by Buyer. All such property is referred to herein as Buyer-furnished property. (a) Seller shall have the right to use all Buyer-furnished property without payment of rent in the performance of this order or of other work for Buyer but shall not, without Buyer's written consent, use the same on any other work. (b) Title to all Buyer-furnished property shall at all times be and remain in Buyer, whether or not such property is attached to any real estate or other thing. Seller shall, upon request of Buyer and without additional charge, execute such financing statements, security agreements, or other instruments as may be necessary to make Buyer's title a matter of public record. Title to any such property which is procured or manufactured by Seller shall be deemed to vest in Buyer upon the earlier of (I) acquisition or completion of manufacture by Seller or (II) payment for the same by Buyer. Seller shall keep all Buyer-furnished property separate from all other property and clearly marked to show Buyer's ownership and shall do all things necessary to preserve Buyer's title thereto, free and clear of all encumbrances. Seller shall, upon completion of its receipt and, if necessary, installation of all Buyer-furnished property, submit to Buyer an itemized inventory showing the description, location, and identifying marks of each item or group of similar items included among such property. Buyer shall have the right, at such reasonable times as it may choose, to enter Seller's premises and inspect any and all such property. Should Seller fail to perform the duties imposed upon it by this section (b) or should Buyer at any time have reason to believe that its title to, or right to the possession of, any Buyer-furnished property is threatened, Buyer shall have the right, in addition to any other remedies provided by law, to enter upon Seller's premises and remove any or all such property, with or without the decree or order of any court. Upon completion, termination, or cancellation of this order, Seller shall, on the request of Buyer, properly pack any or all such property and ship the same, F.O.B. Seller's plant, to such destination as may be designated by Buyer. (c) Seller shall, at its own expense, perform all maintenance work, repairs, and replacements which may be necessary with respect to any Buyer-furnished property so that the same may remain suitable for the use contemplated hereby and may, at the time required by this order, be returned to Buyer in as good condition as when received, except for reasonable wear and tear and for any consumption of materials necessarily resulting from their use. Seller shall segregate and collect in one location all Buyer-furnished material which is not actually contained in the finished parts and shall dispose of the same as Buyer may direct, except that the value of chips and cuttings shall be taken into consideration by Seller in establishing its price and they shall be used or disposed of as Seller may elect. Seller shall give Buyer prompt written notice of any Buyer-furnished property which has been supplied by Buyer to Seller and which, upon delivery to Seller, is found to be defective, and the correction or replacement of such defective property shall be accomplished at Buyer's expense, in such manner as Buyer may direct in writing. (d) The risk of loss or damage to any and all Buyer-furnished property shall be upon Seller from the time when the same is delivered to it, or, in the case of property procured or manufactured by Seller, from the time when title to the same vests in Buyer, until such property is returned to Buyer in the manner required hereunder. (e) Buyer shall not be liable for loss, damage, detention, or delay resulting from causes beyond its control, with respect to any Buyer-furnished property to be delivered by it to Seller, and Seller's acceptance of any such property upon delivery shall constitute a waiver of all claims for delays. (f) Seller shall assume and indemnify Buyer against any and all liability for damage to property or injury to or death of persons arising from or incidental to the presence or use of Buyer-furnished property, whether such damage, injury, or death be caused by defects in the property, negligence in the use thereof, or otherwise.

16. General Indemnity

Seller, at its expense, shall indemnify Buyer and save Buyer harmless from any and all liability, demands, causes of action or claims, including the cost of

defending the same, for bodily injury to any person or damage to property, either real or personal, of any person in any way arising out of, in the course of, or in connection with the products purchased hereunder or the operations of the Seller in carrying out the provisions and terms of this Purchase Order.

17. Insurance

Seller shall maintain such public liability insurance, including products liability, completed operations, contractors liability and protective liability, automobile liability insurance (including non-owned automobile liability) and Workmen's Compensation, and employer's liability insurance as will adequately protect Buyer against such damage, liabilities, claims, losses and expenses (including attorney's fees) as are described in this section 17. Seller agrees to submit certificates of insurance evidencing its insurance coverage when requested by Buyer.

18. Limitation of Liability

Buyer's aggregate liability arising from or relating to this order is limited to the amount paid by Buyer for the products. To the maximum extent allowable under applicable law, Buyer shall not be liable under this order for any special, incidental, consequential, indirect or punitive damages including, without limitation, lost revenues even if Buyer has been advised of the possibility of such damages.

19. General:

This order shall be governed by, and construed according to, the laws of the province in which Buyer's facility identified in the face hereof is located. Unless the contrary is specifically stated, all rights and remedies provided therein shall be in addition to, and not in place of, those provided by applicable law. The titles of the articles set forth above are for convenience only and shall not be applied to limit or restrict the meanings of the same.

20. Authority:

Wherever the word "Buyer" appears in these Terms and Conditions with respect to authorization for such items as (I) Assignment; Subcontracting, (II) Substitutions; Extras, (III) Changes, and (IV) Termination; Cancellation, the word is deemed to mean, and only mean, Buyer's Purchasing Department. No other person or department of Buyer is so authorized to act. Claims by Seller for adjustment, increases and increments to price or for added costs resulting from the foregoing items will not be allowed unless they said authorization shall have been duly granted in writing prior to implementation by Buyer's Purchasing Department.

21. Passwords and Electronic Purchase Orders:

It is the sole responsibility of Seller to protect the security of all user IDs and/or passwords issued to Seller for the purpose of accessing and acknowledging computer-stored purchase orders, or purchase data regarding its account(s). Seller shall be responsible for and shall be liable for all damages incurred by Buyer related to the unauthorized use of IDs and/or passwords issued to Seller. Access to or use of Buyer's computer service or computer-stored data without the express written permission of Schindler Elevator Corporation, or the use of this computer service outside the scope of permission granted by Schindler Elevator Corporation, constitutes a crime punishable by law.

22. Language:

It is the express wish of the parties that this Agreement and any related documentation be drawn up in English. Il est de la volonté expresse des parties que cette convention ainsi que tout document connexe soient rédigés en langue anglaise.