

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF  
THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B3, AS  
AMENDED, AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O.  
1990, c. C.43, AS AMENDED**

**B E T W E E N:**

**STRONACH CONSULTING CORP.,**

Applicant

- and -

**BIONX CANADA INC.**

Respondent

**FIRST REPORT TO THE COURT OF GRANT THORNTON LIMITED IN ITS CAPACITY AS  
RECEIVER OF THE RESPONDENT**

**MARCH 12, 2018**



**Grant Thornton Limited  
200 King Street West, 11th Floor  
Toronto, Ontario  
M5H 3T4**

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**MARCH 12, 2018**

**INTRODUCTION AND PURPOSE OF THE FIRST REPORT**

1. This report (the “**First Report**”) is filed by Grant Thornton Limited (“**GTL**”) in its capacity as the receiver and the receiver and manager (the “**Receiver**”) of BionX Canada Inc. (“**BionX**” or the “**Company**”).
2. On February 27, 2018, the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted an order appointing GTL as Receiver over the property, assets and undertakings of the Company (the “**Appointment Order**”). Copies of the Appointment

Order and the Endorsement of Mr. Justice McEwen are collectively attached hereto as **Appendix “1”**.

3. The purpose of this First Report is to provide the Court with:
  - (a) the sequence of events giving rise to the dispute with General Motors LLC and General Motors Company of Canada (collectively, “**GM**”) regarding the ownership of certain assets currently held at the BionX premises (the “**GM Dispute**”);
  - (b) Receiver’s preliminary findings and facts with respect to its investigation of the GM Dispute; and
  - (c) the view of the Receiver as to the merits of the Dispute and the ownership of the assets.

This First Report does not include details with respect to the Receiver’s administration of the receivership, outside of its dealings with GM.

#### **RESTRICTIONS AND TERMS OF REFERENCE**

4. In preparing this First Report, the Receiver has relied upon unaudited financial information, BionX’s books and records, certain financial information, discussions with BionX’s management and employees, and discussions with other parties, including GM. The Receiver’s work does not constitute an audit or verification of such information for accuracy, completeness or compliance with Generally Accepted Accounting Principles (“**GAAP**”) or International Financial Reporting Standards (“**IFRS**”). Accordingly, the Receiver expresses no opinion or other form of assurance pursuant to GAAP or IFRS with respect to such information.
5. This First Report has been prepared for the use of this Court to determine whether or not to grant the relief sought by GM pursuant to its notice of motion dated February 26, 2018

and to outline the Receiver's view of the ownership of the assets in question. This First Report should not be relied on for any other purpose.

6. Capitalized terms not defined in this First Report shall have the meaning ascribed to such terms in the Appointment Order. All references to dollars are in Canadian currency unless otherwise noted.
7. Copies of materials filed in these proceedings are available on the Receiver's case website at: [www.GrantThornton.ca/BionX](http://www.GrantThornton.ca/BionX).

## COMPANY BACKGROUND

8. BionX, together with its related companies and subsidiaries, are in the business of designing, manufacturing, and selling electronic propulsion systems for bicycles, which is further detailed in Mr. John Simonetti's affidavit sworn February 23, 2018 (the "**Simonetti Affidavit**"), a copy of which, without appendices, is attached as **Appendix "2"**. The Company operates out of a production facility located in Aurora, Ontario (the "**Aurora Facility**").
9. BionX is solely owned by a holding company, BionX International Corporation ("**BionX International**"). Stronach Consulting Corp. ("**SCC**") owns 60.50% of the voting shares of BionX International while the remaining voting shares (39.50%) are owned by 1593057 Ontario Inc., a holding company solely owned by Manfred Gingl, the CEO and sole director of BionX.
10. SCC and its predecessor 2255681 Ontario Inc. ("**225 Ontario**"), have acted as the sole funders of BionX. Since December 2014, SCC and 255 Ontario have funded a total of US \$13,925,000 and \$2,918,792 in various tranches evidenced by way of a non-interest

bearing demand grid note (the “**Grid Note**”) governed by an agreement between BionX and SCC dated January 15, 2018 (the “**Grid Note Loan Agreement**”)<sup>1</sup>.

11. Based on the information provided and made available to the Receiver thus far, the Receiver understands that BionX’s operations prior to the Appointment Order were primarily focused on the following two product systems:

(a) The “**BionX System**” – an electric motor which attaches to the back wheel hub of a bicycle combined with a lithium ion battery for power, which is sold under the BionX name and brand. BionX continued to operate the BionX System Division up to the Appointment Order.

(b) The “**GM System**”- BionX entered into numerous agreements with GM (the “**GM Agreements**”) with the purpose of designing, engineering, developing, testing and manufacturing a mid-drive electric propulsion system for bicycles manufactured by GM.

(i) Based on the GM Agreements, GM agreed to pay BionX both for the design, engineering and testing of a mid-drive electric propulsion system for bicycles (the “**GM Project**”). Following development, GM agreed to purchase 8,000 units of these propulsion systems in 2018 at approximately \$1,000 USD per unit.

(ii) The GM Agreements included the following:

(1) purchase orders: 430023722, 4300557102, 470021739, 4300554647 issued by GM to BionX (the “**Purchase Orders**”);

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<sup>1</sup> On October 31, 2015, 225 Ontario assigned all of its right, title, property and interest to SCC, including the indebtedness of BionX owing to 225 Ontario at that time.

- (2) General Terms and Conditions referenced in and appended to the Purchase Orders (the “**Terms and Conditions**”);
  - (3) a Trademark License Agreement executed October 2, 2017; and
  - (4) a Technology License Agreement executed October 16, 2017.
- 12. Additional information about the background of the Company is included in the Simonetti Affidavit.

## THE GM PROJECT

- 13. The Receiver is of the understanding that the GM Project consisted of the following phases, each of which is discussed in greater detail below:
  - (a) the awarding of the contract and the initial statement of design work (the “**Original SODW**”) to engineer, develop, and design (“**Engineering & Development**”) a prototype mid-drive electronic powertrain system (this phase is referred to as the “**Beta Program**”), pursuant to a purchase order (PO E4300237222) issued by GM to BionX on March 8, 2016;
  - (b) the gamma phase for the limited production of mid-drive electronic powertrain system units for further testing and validation (the “**Gamma Program**”), pursuant to a purchase order (PO E4300554647) issued by GM to BionX on September 26, 2017; and
  - (c) the production phase whereby a complete production line would be developed for the production of complete mid-drive electronic powertrain system units (the “**Production Phase**”), pursuant to two purchase orders (PO E4300557102 and PO E470021739) issued on September 22, 2017 and October 17, 2017 respectively.

## The Beta Program

14. In December 2015, GM submitted a request for quotation to BionX for the engineering and development of a completely new mid-drive electronic powertrain system (each a “**Drive Unit**”), including but not limited to the engineering and design of: (i) a new e-machine; (ii) gear train; (iii) inverter for the system; (iv) battery pack and power supply; (v) battery charger; and (vi) system software. The original contract for the work was awarded in February 2016. A copy of the Original SODW is attached to this First Report as **Appendix “3”**.
15. The Beta Program was the initial phase of the GM Agreement, which constituted the Engineering and Development of the Drive Units. The purpose of the Beta Program was ultimately to develop working prototype Drive Units (including the “**Charger Assemblies**” and “**Batteries**”, collectively, the “**Components**”) (the “**Prototype Drive Units**”) to ensure design validation of the GM System.
16. On March 8, 2016, GM issued BionX a purchase order (PO E4300237222) (the “**Beta Program PO**”) for the Engineering & Development of the GM System.
17. The price payable by GM for the Beta Program PO totaled \$11,816,054 and consisted of the following items:
  - (a) Item 00005 – DV / Beta Tooling @ Pass Thru – \$1,169,826;
  - (b) Item 00006 – DV / Beta Hardware: Drive Units – \$982,229;
  - (c) Item 00007 – DV / Beta Hardware: Battery Packs – \$225,072;
  - (d) Item 5000110 – Engineering, Design, & Development – \$5,676,712;
  - (e) Item 5000210 – Material Cost @ Pass Thru – \$544,706;
  - (f) Item 500310 – Outside Test & Service @ Pass Thru – \$1,688,850;

- (g) Item 500410 – Dedicated GM Equipment Cost @ Pass Thru – \$1,040,068;
- (h) Item 500510 – ED&D: Early Prototype – \$305,388; and
- (i) Item 500310 – Material: Early Prototype @ Pass Thru – \$183,203.

A copy of the Beta Program PO is attached hereto as **Appendix “4”**.

18. The Beta Program invoices are “progress billings” for the design, development and engineering of the Drive Unit Prototype (i.e. costs are billed on a periodic basis, based on completion of the Beta Program PO and not necessarily on an individual asset basis). Accordingly, all of the 23 invoices are connected and relate to the engineering, development and completion of the Drive Unit Prototype and the parts/assets comprising thereof.
19. A key activity of the Beta Program was the development of a computer aided engineering analysis model (the “**CAEA Model**”); the purpose of which was to perform an analysis on the design of the Drive Unit, which design was to be agreed upon by GM prior to the development of the Prototype Drive Unit. BionX could not begin the production of the Prototype Drive Unit until the CAEA Model was approved by GM.
20. BionX advised that the completion of the CAEA Model was delayed approximately four (4) months as GM continuously requested that additional analysis be done on same. GM approved the CAEA Model in January 2017, approximately 10 months after the commencement of the Beta Program.
21. BionX began asking for approval of the spending required for the creation of the Prototype Drive Unit in September 2016. GM did not approve the spending for the creation of the Prototype Drive Unit until January 2017. The first iteration of the Prototype Drive Unit was

completed and delivered in March 2017, approximately one (1) year after the issuance of the Beta Program PO.

22. In April 2017, after a meeting between GM and BionX, GM advised BionX that it would be assuming full management of the Beta Program as a result of the late delivery of the Prototype Drive Units.
23. Design, development, and testing of the Prototype Drive Units under the Beta Program continued until early 2018.

#### The Gamma Program

24. On September 26, 2017, GM issued a purchase order (PO E4300554647) (the “**Gamma Drive PO**”) for the development of 110 Drive Units (including the Components).
25. The price payable by GM for the Gamma Drive PO totaled \$ US \$756,500, and consisted of the following per unit pricing:
  - (a) Gamma Drive Unit – US \$6,500;
  - (b) Charger Assembly – US \$30; and
  - (c) Battery – US \$350.

A copy of the Gamma Drive Unit PO is attached hereto as **Appendix “5”**.

26. The purpose of the Gamma Program, through the issuance of the Gamma Drive Unit PO, was to develop a limited number of “production intent” Drive Units (i.e. in a state that is similar if not the same as the final Drive Unit), Batteries, and Charger Assemblies to be used as production validation samples (i.e. installed on electric bicycle frames being manufactured by a third-party supplier sourced by GM, validated, and tested) (the “**Test Drive Units**”). BionX was required to develop “production intent” tooling (i.e. the On-Site

Tooling (as defined and discussed in detail later in this First Report)) and processes to manufacture and assemble the Test Drive Units and Components.

27. The limited number of Test Drive Units would allow GM to further test the GM System and make changes to the Drive Unit Prototype if necessary. The assembly line and tooling used to develop the Prototype Drive Unit was utilized to produce the Test Drive Units.
28. From October 2017 to January 2018, BionX produced a total of 104 Test Drive Units and sourced 32 Batteries. During the same time frame, BionX delivered a total of 69 Test Drive Units and 15 Batteries to GM.

#### The Production Phase

29. The Production Phase was the final phase of the GM Project, whereby a complete production assembly line would be developed and a listing of third party suppliers would be retained, to manufacture and assemble the final Drive Units and Components (the **"Final Drive Units"**).
30. On September 22, 2017, GM issued a purchase order (PO E4300557102) for the development of 8,000 Final Drive Units (including the Components) for a total value of US \$7,856,000 (the **"Final Drive Unit PO"**), a copy of which is attached hereto as **Appendix "6"**.
31. The required delivery date for the Final Drive Units and Components was December 31, 2018.
32. To fulfill the Final Drive Unit PO, a new production assembly line, including new production tooling to be used therein and tooling to be used by suppliers to make certain parts for the assembly of the Final Drive Units (collectively, the **"Production Tooling"**), was required.

33. On October 17, 2017, GM issued a purchase order (PO E470021739) for the development of certain Production Tooling for a total value of US \$702,200 (the “**Production Tooling PO**”). A copy of the Production Tooling PO is attached hereto as **Appendix “7”**.
34. As at the date of the Appointment Order, the Production Phase had not been completed.

#### **THE OUTSTANDING BIONX CLAIMS**

35. On February 28, 2018, Michael Willetts, the Director of Finance (BionX), (“**Willetts**”), advised the Receiver that GM currently owed BionX a total of \$4,523,171 (the “**BionX Claim**”).
36. The BionX Claim represents the total outstanding obligations that BionX claimed GM owes under the GM Project, which can be further classified under the following categories:
- (a) The “**Beta Program Claim**” - \$1,559,697 – consisting of five (5) invoices totaling \$1,359,697 issued by BionX to GM in addition to an accrual for \$200,000 for an unissued invoice pursuant to the Beta Program PO;
  - (b) The “**Gamma Claim**” - US \$813,883 – related to the production of pre-production Test Drive Units pursuant to the Gamma Program PO, which is comprised of:
    - (i) US \$336,458 – for the production and delivery of 45 Test Drive Units to GM (the “**Gamma 1 Claim**”); and
    - (ii) US \$477,425 – for the production and delivery of 27 Test Drive Units to GM and the production of 38 Test Drive Units located at BionX (the “**Gamma 2 Claim**”)

- (c) \$457,992 – related to the purchase of the various parts required for the production of the 8,000 Final Drive Units, pursuant to the Drive Unit PO (the “**Production Parts Claim**”);
- (d) US \$872,567 – related to the development of the Production Tooling to produce the 8,000 Final Drive Units, pursuant to the Production Tooling PO;
- (e) \$317,482 – pursuant to a purchase order PO011810-1 issued by BionX to a third party supplier for the development of equipment (an “**End of Line Tester**”) for the Drive Unit that GM has indicated it had an interest in purchasing (the “**End of Line Tester Claim**”); and

(collectively, the “**BionX Claim Categories**”).

- 37. In support of the BionX Claim, Willetts provided the Receiver with a schedule outlining the particulars of the BionX Claim (the “**BionX Claim Schedule**”) and included certain supporting documentation for each of the BionX Claim Categories. Copies of the BionX Claim Schedule is attached hereto as **Appendix “8”**.
- 38. The significant discrepancy between the BionX Claim and the Proposed GM Payment (defined below) is a cause of concern for the Receiver, especially with respect to the ownership of the assets related to the GM Project currently in the Receiver’s possession.

## **THE RECEIVER’S DEALINGS WITH GM**

### Pre-Appointment of Receiver

- 39. Prior to February 24, 2018, the Receiver had no contact with GM. However, prior to its appointment it was made aware by the Company of two communications sent by GM to BionX on February 1, 2018 and February 23, 2018, both of which are attached to hereto as **Appendix “9”**.

40. On February 24, 2018, legal counsel to the proposed receiver ("**Proposed Receiver**"), Brauti Thorning Zibarras LLP ("**BTZ**"), received correspondence from legal counsel to GM, Speigel Nichols Fox LLP ("**Speigel**"), requesting access to the Aurora Facility on February 26, 2018, in order to remove the assets that GM claimed ownership of pursuant to certain purchase orders and the GM Agreement. A copy of the correspondence between Speigel and BTZ is attached hereto as **Appendix "10"**.
41. On February 25, 2018, BTZ sent email correspondence to Speigel advising that GTL had not yet been appointed as Receiver, however, BTZ indicated that the Proposed Receiver and BTZ were of the understanding that the Company had agreed to grant GM access to the Aurora Facility on February 26, 2018. As the Proposed Receiver and its counsel had not examined the ownership of any of the assets at the Aurora Facility or the validity of GM's claims thereto, BTZ further communicated that it was of the understanding that the sole purpose of GM's attendance was to only inspect the assets related to the GM Project and for which GM allegedly claimed to have ownership over (the "**Disputed Assets**") and that the removal of such assets would not be permitted at such time.
42. On February 26, 2018, the Proposed Receiver was advised by BionX's employees that GM had arrived on the Aurora Facility with machinery and trucks in preparation for the removal of the Disputed Assets from the Aurora Facility. As this was contrary to the correspondence sent by counsel to the Proposed Receiver, the BionX employees denied GM access to the Aurora Facility.
43. On February 26, 2018 (the day before the appointment of the Receiver), at 5:04 pm EST, GM filed a motion returnable February 27, 2018 (the "**GM Motion**") for an Order, among other things providing for:

- (a) possession of all personal property, being all tooling, dies, test and assembly fixtures, jigs, gauges, patterns, casting patterns used by BionX in connection with the GM Project;
  - (b) the release and delivery of the tooling and equipment to GM.
- 44. Specific items related to the GM Project that GM claimed ownership to, and requested removal of, was further outlined in Schedule "A" (the "**GM Schedule**") of the affidavit of Scott T. Wilson ("**Wilson**"), Senior Manager – Global Program Manager for the E-Bike Program for General Motors LLC, sworn February 26, 2018 (the "**Wilson Affidavit**"). A copy of the GM Schedule is attached hereto as **Appendix "11"**.
- 45. In the Wilson Affidavit, Wilson stated that GM would be prepared to pay the amount of \$206,856 (the "**Initial Proposed GM Payment**"), out of the total amount BionX claimed was owing of \$4,523,171 for the Disputed Assets. Wilson alleged that the amount of \$206,856 was the total outstanding amount owed by GM to BionX for the Disputed Assets that were located at the Aurora Facility.
- 46. On February 27, 2018, GM and its counsel attended Court to address the relief being sought in the GM Motion. The applicant in the receivership proceedings and GM agreed to adjourn the GM Motion to a later date in order to allow the Receiver time to evaluate the ownership of the Disputed Assets.

#### Post-Receivership

- 47. Immediately following the granting of the Appointment Order, GM's counsel contacted the Receiver requesting that Wilson and other GM employees (collectively, the "**GM Representatives**") be permitted to attend the Aurora Facility. The Receiver advised that the GM Representatives could attend the BionX premises at 12:00 PM on February 28,

2018 for the sole purpose of inspecting and identifying assets that may relate to the GM Project.

48. On February 28, 2018, GM Representatives attended the Aurora Facility. Upon arrival, Wilson advised the Receiver that he had made the necessary arrangements to facilitate the removal of the Disputed Assets and inquired as to when this could be done. The Receiver reiterated that the purpose of GM's attendance at this time was solely to identify and inspect assets in relation to the GM Project that GM claimed ownership over and that it had not confirmed GM's ownership of same. Wilson advised the Receiver that GM had already paid for a majority of the Disputed Assets and was prepared to pay the Receiver the remaining amount of \$206,856. The Receiver explained that this discussion was premature.
49. The Receiver understood that GM was a significant stakeholder of the Company and that determination of the ownership of the Disputed Assets was of significant importance to GM. Accordingly, the Receiver spent significant time explaining to the GM Representatives the nature of Canadian insolvency proceedings, the formalities of a Court-appointed receivership, and the role that the Receiver plays as a Court officer. More specifically, the Receiver advised the GM Representatives that it is the Receiver's duty to take possession and safeguard all of the Company's assets for the benefit of all stakeholders. The Receiver explained that, pursuant to Canadian insolvency legislation, a person claiming property in possession of the Receiver is required to provide sufficient proof of ownership of the claimed assets.
50. On February 28, 2018, the Receiver, with the assistance of Al Sasnowski (the GM Project Director of Program Management at BionX) ("**Sasnowski**"), and the GM Representatives

toured the Aurora Facility and began segregating certain assets that may be related to the GM Project based on the GM Schedule and Sasnowski's understanding of the GM Project.

51. During the tours of the Aurora Facility, it became apparent that the Disputed Assets related to the GM Project had little to no unique identifiers (e.g. labels, serial numbers, model numbers, etc.) and the supporting documentation with respect to certain Disputed Assets were minimal to non-existent. GM provided certain documentation including definitions, diagrams, pictures, pamphlets, and a GM generated statement of work, which did not sufficiently satisfy the Receiver in terms of proof of ownership. A copy of such documentation is attached hereto as **Appendix "12"** to this First Report.
52. On March 1, 2018 and March 2, 2018, under the Receiver's supervision, the GM Representatives began labelling the segregated Disputed Assets in accordance with the description contained in the GM List. At the end of day on March 2, 2018, the GM Representatives communicated to the Receiver that based on their tour of the Aurora Facility, the GM List was not entirely accurate and that an updated list would be provided to the Receiver in short order.
53. On March 5, 2018, Wilson delivered to the Receiver an updated version of the GM List (the "**Second GM List**") that, among other things, indicated that GM owed BionX approximately \$416,150 (the "**Revised Proposed GM Payment**"). A copy of the Second GM List is attached hereto as **Appendix "13"**.
54. GM Representatives attended the Aurora Facility from March 5 to March 8, 2018 to continue their efforts to identify other Disputed Assets that they claimed to be part of the GM Project and owned by GM. The Receiver, on multiple occasions, communicated to the GM Representatives that the Receiver's cooperation with respect to the segregation

of the Disputed Assets did not imply that the Receiver consented to GM's ownership claim thereto.

55. On March 5, 2018, BTZ provided Spiegel with the BionX Claim Schedule along with certain supporting documentation outlining the \$4,523,171 BionX Claim and inquired as to GM's position with respect to this claim. The Receiver then requested that an in-person meeting be conducted to discuss the discrepancy between the Revised Proposed GM Payment and the \$4,523,171 BionX Claim. In response, Spiegel, among other things, advised that the Revised Proposed GM Payment for the GM Project assets outlined in the Second GM List and the \$4,523,171 BionX Claim were entirely separate matters.
56. In response, BTZ advised that based on the Receiver's review of the documentation thus far with respect to the Disputed Assets, there appeared to be significant questions surrounding the ownership of the Disputed Assets. This was because, in the view of the Receiver, there appeared to be an argument that the \$4,523,171 BionX Claim directly related to what was owed by GM to BionX for the Disputed Assets contained in the Second GM Schedule and therefore, there was a question as to GM's ownership of such Disputed Assets. A copy of the correspondence between BTZ and Spiegel is attached hereto as **Appendix "14"**.
57. On March 6, 2018, the Receiver, BTZ, and Spiegel attended Court to provide an update to Mr. Justice McEwen. The Receiver provided an update on the progress made by the Receiver and GM, noted to the Court that the Receiver was still investigating the ownership of the Disputed Assets and raised the concerns that the Receiver had in respect of the discrepancy between the Revised Proposed GM Payment and the \$4,523,171 BionX Claim. Counsel to the Receiver further advised that responding materials would not be prepared for the hearing scheduled for March 9, 2018 as the parties were working

towards a potential resolution or narrowing of the issues and the Receiver would be continuing its investigations and analysis. Mr. Justice McEwen confirmed that he would reserve an hour to discuss the progress made by GM and the Receiver, if required.

58. On March 6, 2018, the Receiver conducted a meeting with Wilson, Sasnowski (BionX), and another GM Representative to review the Second GM List. More specifically, the purpose of the review was to determine the nature of each of the Disputed Assets contained in the Second GM List and to address the following questions for each of the assets:
- (a) was the Disputed Asset included on a BionX invoice issued to GM and what purchase order did it relate to;
  - (b) was the BionX invoice that included the Disputed Asset in a purchase order paid by GM and if not, what was the outstanding balance;
  - (c) was the Disputed Asset physically accounted for by the Receiver and where was the Disputed Asset located; and
  - (d) was the Disputed Asset segregated at the Aurora Facility.
59. During this meeting, the Receiver was advised by GM that the Revised Proposed GM Payment for all of the Disputed Assets was actually \$390,450 (the “**Proposed GM Payment**”). The list incorporating the abovementioned revisions is referred to as the “**Third GM List**” and is attached hereto as **Appendix “15”**.
60. Based on the Receiver's review of the documentation and in its discussions with the Company and GM, the Receiver is of the understanding that GM has remitted payment for 18 of the 23 invoices issued by BionX to GM only with respect to the Beta Program under the Beta Program PO (PO E4300237222).

## THE RECEIVER'S REVIEW OF THE BIONX CLAIM

61. As mentioned above, the difference between the \$4,523,171 BionX Claim and GM's Proposed Payment of \$390,450 is approximately \$4,132,721 (the "**Disputed Amount**").
62. Since being made aware of the BionX Claim and being provided with the BionX Claim Schedule, the Receiver has worked with BionX to obtain sufficient documentation to better understand the support for the BionX Claim in order to be able to confirm the validity of its claim amount against GM.
63. The Receiver has prepared a summary, attached hereto as **Appendix "16"**, which summarizes the results of its investigation thus far into the Disputed Amount (the "**Disputed Amount Summary**"). The Disputed Amount Summary includes, among other things:
  - (a) Each of the BionX Claim Categories by project stage and purchase order as well as the amount being claimed for same by BionX;
  - (b) The Receiver's adjustment to the amounts claimed by BionX for each of the BionX Claim Categories, if any, based on the information provided thus far to the Receiver and its review of same (the "**Receiver's Adjustments**");
  - (c) The summation of (a) and (b) (the "**Adjusted Amount**"); and
  - (d) The Proposed GM Payment and the allocation of same amongst the BionX Claim Categories by project stage and purchase order.
64. As outlined in the Disputed Amount Summary, the Receiver has been able to obtain sufficient supporting documentation to determine the validity of the amounts comprising:
  - (i) the Gamma Claim; (ii) the End of Line Tester Claim; (iii) Production Tooling Claim; and
  - (v) Production Parts Claim. As a result of this reconciliation, the Receiver has made total

adjustments of \$1,090,797 from these claimed categories. The table below summarizes the adjustments made to the aforementioned claim categories and compares such reconciliation with the Proposed GM Payment for same.

|                          | <b>Original<br/>BionX Claim<br/>Amount</b> | <b>Receiver's<br/>Adjustments<br/>if Any</b> | <b>Adjusted<br/>BionX Claim<br/>Amount</b> | <b>Proposed<br/>GM Payment<br/>Amount</b> |
|--------------------------|--------------------------------------------|----------------------------------------------|--------------------------------------------|-------------------------------------------|
| Gamma 1 Claim            | \$ 436,521                                 | \$ 0                                         | \$ 436,521                                 | \$ 0                                      |
| Gamma 2 Claim            | 619,411                                    | (47,647) <sup>2</sup>                        | 571,764                                    | 320,450                                   |
| Production Tooling Claim | 1,132,068                                  | (725,668)                                    | 406,401                                    | 0                                         |
| Production Parts Claim   | 457,992                                    | 0                                            | 457,992                                    | 0                                         |
| End of Line Tester Claim | 317,482                                    | (317,482)                                    | 0                                          | 0                                         |
| <b>Total</b>             | <b>\$ 2,963,474</b>                        | <b>\$ (1,090,797)</b>                        | <b>\$ 1,872,678</b>                        | <b>\$ 390,450</b>                         |

65. With respect to the Beta Program Claim in the amount of \$1,559,697, the Receiver is still awaiting additional documentation in order to make a determination as to whether adjustments are required to this amount. The Receiver's preliminary review indicates that GM's proposed payment with respect to Beta Program physical assets does not contemplate reimbursement/payment for the development costs associated with those physical assets.

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<sup>2</sup> The Receiver's Adjustment for the Gamma 2 Claim will likely change once the costs incurred by BionX to develop the 'Partially Completed' Test Drive Units are determined.

## Gamma Claim

### *Gamma 1 Claim*

66. As part of the Gamma Program, BionX advised that in November 2017, 45 Test Drive Units and 15 Batteries were delivered to GM.
67. Based on the pricing contained in the Gamma Drive Unit PO, the amount of the Gamma 1 Claim of US \$336,458 consists of:
- (a) US \$292,500 – 45 Test Drive Units x US \$6,500 per Test Drive Unit;
  - (b) US \$5,250 – 15 Batteries x US \$350 per Battery; and
  - (c) US \$38,708 – 13% HST
68. On March 6, 2018, GM confirmed that the delivery of the 45 Test Drive Units<sup>3</sup> and the 15 Batteries occurred and that the calculation of the Gamma 1 Claim was correct. As BionX and GM are both in agreement with the calculation of the Gamma 1 Claim, the Receiver has made no adjustments.
69. Although GM confirmed that the calculation of the Gamma 1 Claim was correct, GM has not included payment of the Gamma 1 Claim in the Proposed GM Payment.
70. The Receiver understands that GM does not intend on paying the Gamma 1 Claim. The Receiver understands that GM takes the view that because the unpaid Test Drive Units are currently in GM's possession, ("**Delivered Test Drive Units**"), any unpaid amounts in respect of these Delivered Test Drive Units constitute an unsecured receivable owing to BionX, and that this is separate and distinct from GM paying BionX for the release of the

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<sup>3</sup> BionX and GM both advised the Receiver that a total of 50 Gamma Drive Units were delivered, however, five (5) Gamma Drive Units were defective and therefore returned to BionX.

Disputed Assets that are currently located at the BionX facility and subject to set off with respect to GM's contingent damages claim.

*Gamma 2 Claim*

71. BionX has calculated the Gamma 2 Claim based on the production of 65 Test Drive Units as follows:
  - (a) US \$422,500 – 65 Test Drive Units x US \$6,500 per Test Drive Unit; and
  - (b) US \$54,925 – 13% HST
72. The Receiver confirmed that there are currently 36 'Completed' Test Drive Units at the Aurora Facility. In addition, the Receiver accounted for eight (8) 'Partially Completed' Test Drive Units at the Aurora Facility (which refers to Test Drive Units that are half built and only contain the motor). The value of the 'Partially Completed' Test Drive Units is unavailable at this time.
73. Based on the shipping documentation provided by BionX, it appears that a total of 24 Test Drive Units were delivered to two (2) GM divisions: (i) Canadian Technical Centre ("**CTC**"); and (ii) Milford Proving Ground ("**MPG**") as follows:
  - (a) December 13, 2017 – 8 Test Drive Units were delivered to CTC;
  - (b) December 18, 2017 – 2 Test Drive Units were delivered to CTC; and
  - (c) January 18, 2018 – 8 Test Drive Units and 6 Test Drive Units were delivered to CTC and MPG respectively.
74. Based on the above, a total of 60 'Completed' Test Drive Units (24 delivered and 36 at the Aurora Facility) were accounted for and as a result, the Receiver adjusted the Gamma 2 Claim by US \$36,725 (5 Test Drive Units x US \$6,500 + HST). The Adjusted Amount for

the Gamma 2 Claim is US \$440,770. The Receiver is of the view that the ownership of the undelivered Test Drive Units lies with BionX.

75. Of GM's Proposed Payment of \$390,450, approximately US\$247,000 is allocated to the Gamma 2 Claim based on the unpaid Test Drive Units in the possession of BionX.
76. The Receiver understands that GM does not propose to make any payment on account of the unpaid but Delivered Test Drive Units comprising the Gamma 2 Claim. Similar to the Gamma 1 Claim, the Receiver understands that GM takes the view that because the Delivered Test Drive Units are already in the possession of GM, any unpaid amounts in respect of the Delivered Test Drive Units constitute an unsecured receivable owing to BionX. GM is of the view that any unpaid receivables owing to BionX is separate and distinct from GM paying for the Disputed Assets and subject to set off with respect to GM's contingent damages claim.

#### Production Parts Claim

77. Subsequent to GM issuing the Drive Unit PO, BionX began issuing purchase orders to third party suppliers for the production and delivery of parts required to produce the Final Drive Units and Components. The Production Parts Claim represents the cost of the Production Parts that were delivered to, and currently located at, the Aurora Facility; the Receiver has segregated the Production Parts in the Aurora Facility. A listing of the Production Parts, containing the cost and quantity of each, is attached to this First Report as **Appendix "17"**.
78. GM has indicated to the Receiver that it would be interested in purchasing the Production Parts located at the Aurora Facility but is currently not part of their proposed payment offer.

#### Production Tooling Claim

79. Subsequent to the issuance of the Production Tooling PO, the Receiver understands that additional tools were required for the development of the 8,000 Final Drive Units and as a result the cost of the Production Tooling increased by US \$170,367 to a total cost of US \$872,567. The new tooling was supported by the “GM SMART 1810 Tooling Detail Form” (a GM form required to be submitted by suppliers) submitted by BionX to GM. A copy of the SMART 1810 Tooling Detail Form outlining the Production Tooling is attached hereto as **Appendix “18”**.
80. Based on the Receiver’s review of the documentation provided by BionX it appears that US \$187,500 of the Production Tooling is located at the Aurora Facility (the “**On-Site Tooling**”) while the remaining US \$685,067 is located at various third party suppliers (the “**Off-Site Tooling**”). Of the US \$685,068 of Off-Site Tooling, BionX has made payments totaling US \$125,742 to certain third party suppliers. A listing of the On-Site Tooling and the Off-Site Tooling, the location of same, and the payments made is attached hereto as **Appendix “19”**.
81. The Receiver has made an adjustment of US \$559,325 to remove the Off-Site Tooling that BionX has not remitted payment for. It is unclear if GM requires and/or desires to purchase the Production Tooling and no consideration is included in their proposed payment offer.

#### End of Line Tester Claim

82. As stated above, a purchase order was submitted to a third party supplier (D&V Electronics Ltd. (“**D&V**”)) to manufacture the End of Line Tester for a total of \$317,482 including HST. Notwithstanding the purchase order being issued, the Receiver confirmed through BionX’s

books and records that no payment has been made to D&V after the issuance of the purchase order.

83. On March 2, 2018, during a phone call between D&V, the Receiver, BionX, and GM, D&V confirmed that no payments had been received from BionX and that production of the End of Line Tester had not yet commenced. GM did not issue a purchase order for the End of Line Tester.
84. Based on the information provided, the Receiver has determined that the End of Line Tester Claim is not valid and thus should not be included in the BionX Claim. The Receiver has made an adjustment of \$317,842 to eliminate the End of Line Tester Claim.

#### **THE GM DISPUTE**

85. The issue with GM in these receivership proceedings can be summarized as follows. GM takes the position that they have paid for invoices 1-18 and accordingly, that GM owns the tooling & equipment listed on invoices 1-18 in the Beta Program Purchase Order (the **"Disputed Beta Assets"**), notwithstanding that invoices 19-23 remain unpaid;
86. As GM assumes ownership of the Disputed Beta Assets, it is bringing an interim order for recovery of personal property under Rule 44.01 of the *Rules of Civil Procedure*. Pursuant to Rule 44.01(1), a motion for the recovery of property may be brought where the property was unlawfully taken out of the plaintiff's possession, or where the property is unlawfully detained.
87. In order for GM to be successful on a Rule 44.01 motion, it must satisfy all of the elements listed in Rule 44.01(1). In particular, it must prove ownership or lawful entitlement to possession and that the property was "unlawfully taken" or is "unlawfully detained". These are cumulative.

88. It is the Receiver's view that GM has not demonstrated that GM is the lawful owner of the Disputed Beta Assets. Further, the Disputed Beta Assets have not been unlawfully detained. It is the Receiver's view that Disputed Beta Assets cannot be unlawfully detained in circumstances where GM has not demonstrated that it is the owner of such assets.
89. As outlined above, the Beta Program was the second phase in the GM Project with the intention of the development of the Drive Unit Prototype to ensure design validation of the GM System. For the Beta Program, BionX issued a total of 23 invoices to GM with the first invoice being issued on April 19, 2016 and the final invoice being issued on February 16, 2018.
90. The Receiver has been advised by BionX and GM, that GM has remitted payment for invoices 1 to 18, however, no payments have been received from GM for invoices 19 to 23 issued under the Beta Program PO (PO E4300237222).
91. It is the Receiver's understanding that the Beta Program invoices are "progress billings" for the design, development and engineering of the Drive Unit Prototype (i.e. costs are billed on a periodic basis, based on completion of the Beta Program PO and not necessarily on an individual asset basis). Accordingly, all of the 23 invoices are connected and relate to the engineering, development and completion of the Drive Unit Prototype and the parts/assets comprising thereof.
92. Pursuant to section 19 of the GM Agreement, all supplies, tools, materials, dies, gauges, fixtures, molds, patterns or equipment for which Bionx has been reimbursed by GM, shall be and remain the property of GM. GM has not reimbursed BionX for all amounts on account of the Disputed Beta Assets.

93. Accordingly, there is a legitimate argument that BionX is the owner of the Disputed Beta Assets and that until GM pays for all of the 23 invoices (rather than 1-18), GM does not own the Disputed Beta Assets.
94. It is the Receiver's view that GM has not met the test set out in Rule 44.01(1). Instead, the Receiver brings a motion for advice and direction from the Court. There will need to be a determination by the Court as to the ownership of the Disputed Assets. This will involve the Court determining whether GM is required to reimburse BionX for the entirety of the GM Agreement, for each Purchase Order governing the Disputed Assets (which includes the costs of developing the Disputed Assets under the applicable Purchase Order) or whether GM is only required to reimburse BionX for physical assets listed on a particular invoice without taking into account the costs of developing, engineering and testing those assets. It is the Receiver's view that GM should be required to at least pay for the entire Purchase Order governing the Disputed Assets and in particular the Beta Disputed Assets and not be allowed to selectively pay for a line item asset by specific invoice only.

## **CONCLUSION AND RECOMMENDATION**

95. For the reasons set out in this Receiver's First Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Court make the Order granting the Receiver's requested relief.

**ALL OF WHICH IS RESPECTFULLY SUBMITTED** this 12 day of March, 2018.

**GRANT THORNTON LIMITED,  
AS THE COURT-APPOINTED RECEIVER OF BIONX INC.  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

Per: \_\_\_\_\_

Michael Creber, CPA, CA, CIRP, LIT  
Senior Vice-President

**STRONACH CONSULTING CORP.**

Applicant

and

**BIONX INC.**

Respondent

Court File No.: CV-18-592741-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
Proceeding commenced at Toronto

**FIRST REPORT OF THE RECEIVER**  
**DATED MARCH 12, 2018**

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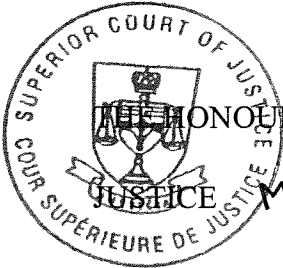
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Lawyers for the Court-appointed Receiver

# **APPENDIX 1**

**[ATTACHED]**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST



HONOURABLE MR  
JUSTICE McEWEN

)  
)  
)

TUESDAY, THE 27<sup>th</sup>  
DAY OF FEBRUARY, 2018

**STRONACH CONSULTING CORP.**

Applicant

- and -

**BIONX CANADA INC.**

Respondent

**ORDER**  
**(appointing Receiver)**

THIS APPLICATION made by Stronach Consulting Corp. ("SCC") for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Grant Thornton Limited ("**GTL**") as receiver and manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of BionX Canada Inc. (the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Simonetti sworn February 23, 2018 and the Exhibits thereto, the Pre-Filing report of the proposed Receiver dated February 26, 2018, and on hearing the submissions of counsel for SCC, counsel for GTL and counsel for the Debtor, no one else appearing although duly served as appears from the affidavit of service of C. Haddon Murray sworn February 26, 2018 and on reading the consent of GTL to act as the Receiver,

## **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

## **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, GTL is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "**Property**").

## **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order, and in this regard the Receiver is specifically authorized to retain counsel for SCC to advise and represent it save and except on matters upon which the Receiver in its judgment determines it requires independent advice, in which case the Receiver shall retain Brauti Thorning Zibarras LLP;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (j) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and

negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

- (k) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
  - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (l) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (m) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (n) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

- (p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (r) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **SALE PROCESS**

4. THIS COURT ORDERS that the Receiver is authorized and directed to conduct the sale process, as set out in Appendix "A" hereto, including pursuing all offers for sales of material parts of the business of the debtor or Property, in whole or part, subject to prior approval of this Court being obtained before any sale (except as permitted by paragraph 3(l)(i)).

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting

records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court

upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH THE RECEIVER**

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

### **RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

## **PIPEDA**

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

## **LIMITATION ON ENVIRONMENTAL LIABILITIES**

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER'S ACCOUNTS**

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA and subordinate to any properly registered and valid purchase money security interest, as described in section 33 of the *Personal Property Security Act*, R.S.O. 1990, c. P.10 ("**PMSIs**").

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the standard rates

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

### **FUNDING OF THE RECEIVERSHIP**

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$1,250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to any PMSIs, the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

## **SERVICE AND NOTICE**

26. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: [www.GrantThornton.ca/Bionx](http://www.GrantThornton.ca/Bionx).

27. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **GENERAL**

28. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

29. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

30. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

31. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

32. THIS COURT ORDERS that SCC shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of SCC's security or, if not so provided by SCC's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

33. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO:

FEB 27 2018

PER / PAR:



## **SCHEDULE "A"**

### **SALE PROCESS**

1. The Sale Process includes three phases.

#### Phase 1: Preparation - Time Frame: 10 days

2. During Phase 1 the Receiver will:

- (a) further review the assets of Bionx;
- (b) prepare the following documentation:
  - (i) a form of solicitation letter summarizing the Sales Process and soliciting parties to express their interest in same (the "**Solicitation Letter**");
  - (ii) a form of non-disclosure agreement (the "**NDA**") to be executed in order to obtain a copy of the Sales Package and to further participate in the Sales Process
  - (iii) a form of offer; and a form of Asset Purchase Agreement ("**APA**").
- (c) prepare a data room (the "**Data Room**") containing, among other things, financial information, agreements, leases, contracts, customer information, and any other information located to be shared with prospective purchasers subsequent to receiving an executed NDA; and
- (d) identify and prepare a list of potential purchasers for the assets of Bionx ("**Potential Purchasers**").

Phase 2: Marketing Assets - Time Frame: 60 days

3. During Phase 2 the Receiver will:

- (a) send the Solicitation Letter and NDA to the Potential Purchasers identified in Phase 1 and any further Potential Purchasers who are subsequently identified;
- (b) directly communicate with industry participants who have expressed an interest in or who the Receiver believes may have an interest in the Bionx's Property and/or operation;
- (c) advertise the sale of the Property in a Canadian national newspaper;
- (d) allow any Potential Purchasers who execute the NDA to access the data room;
- (e) permit Potential Purchasers to inspect the assets;
- (f) maintain the Data Room; and
- (g) collect offers from Potential Purchasers;

Phase 3: Entering into APA - Time Frame: 20 days

4. During Phase 3 the Receiver will:

- (a) review all offers submitted in Phase 2 and discuss same with the applicable offeror and SCC;
- (b) if there is more than one acceptable offer, determine the offer that, in the Receiver's view, is superior (the "**Superior Offer**") with consideration of, among other things, the following factors:
  - (i) the total value offered;

- (ii) the terms and conditions of the offer; and
  - (iii) the Receiver's opinion of the likelihood of successfully completing the transaction contemplated by the offer.
  - (iv) inform the offeror of the Superior Offer that their offer will be proceeding, negotiate and execute an APA with said offeror and, subject to court approval, close the transaction.
5. The Receiver shall have discretion to amend or vary the Sale Process in order to maximize value for stakeholders, including the ability to terminate the Sale Process if the Receiver believes that there are no interested parties for the assets and it is reasonably appropriate in the circumstances.
6. The sale of the Property shall be conditional upon this Honourable Court's approval of the recommended purchaser(s) and the terms of the agreement(s) of purchase and sale. The Receiver will attend before this Honourable Court upon the completion of the sales process to seek approval of the recommended purchaser(s) and the agreement(s) of purchase and sale prior to closing any sale transaction(s).

**SCHEDULE "B"**  
**RECEIVER CERTIFICATE**

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that GTL, the receiver (the "Receiver") of the assets, undertakings and properties of BionX Canada Inc. (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the "Order") made in an action having Court file number \_\_\_\_-CL-\_\_\_\_\_, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of Bank of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

Grant Thornton Limited, solely in its capacity  
as Receiver of the Property, and not in its  
personal capacity

Per: \_\_\_\_\_

Name:

Title:

STRONACH CONSULTING CORP.      BIONX CANADA INC.  
Applicant      and      Respondent

Court File No.: CV-18-592741-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER  
(APPOINTING RECEIVER)**

**STIKEMAN ELLIOTT LLP**  
Barristers & Solicitors  
5300 Commerce Court West  
199 Bay Street  
Toronto, Canada M5L 1B9

Haddon Murray LSUC# 61640P  
Tel: (416) 869-5239  
Fax: +1 416 947 0866

Lawyers for the Applicant

# **APPENDIX 2**

**[ATTACHED]**

**ONTARIO  
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST**

**BETWEEN:**

**STRONACH CONSULTING CORP.**

Applicant

- and -

**BIONX CANADA INC.**

Respondent

**AFFIDAVIT OF JOHN SIMONETTI  
(Sworn February 23, 2018)**

I, John Simonetti, of the City of Toronto, in the Province of Ontario, MAKE OATH  
AND SAY:

1. I am the Chief Financial Officer of Stronach Consulting Corp. ("**SCC**" or the "**Lender**"), the senior secured lender to BionX Canada Inc. ("**BionX**"), as borrower. Accordingly, I have knowledge of the matters deposed to in this affidavit. Where this affidavit is not based on my direct personal knowledge, I have stated the source of that information and believe such information to be true.

2. This affidavit is sworn in support of an application (the "**Application**") for an Order:

- a) appointing Grant Thornton Limited ("**GT**" or the "**Proposed Receiver**") as receiver, over the assets, property and undertakings of BionX (the "**Property**") pursuant to section 101 of the *Courts of Justice Act* and subsection 243(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**");
- b) approving the marketing and sale process (the "**Proposed Sale Process**") proposed by the Proposed Receiver in its pre-filing report (the "**Pre-filing Report**");

- c) granting a super-priority charge over the assets of BionX in favour of the Receiver to secure the payment of its fees and disbursements and the fees and disbursements of its counsel; and
- d) granting a super-priority charge over the assets of BionX to secure the payment of amounts borrowed to fund the Receivership.

3. Unless otherwise indicated, all references to dollars or "\$" in this Affidavit shall be a reference to Canadian dollars.

#### A. OVERVIEW

4. BionX is a company incorporated under the laws of Ontario that designs, manufactures and sells electronic propulsion systems for bicycles. BionX is headquartered and operates out of a facility located in Aurora, Ontario and employs approximately 80 employees (the "**Employees**").

5. BionX is indebted to the Lender pursuant to a non-interest bearing demand grid note dated January 15, 2018 (the "**Grid Note**"). The Grid Note properly recorded the loan advances made by SCC to BionX since 2014. On January 15, 2018, BionX granted a security interest in substantially all of its assets to the Lender in respect of such indebtedness.

6. As of February 23, 2018, the aggregate indebtedness of BionX to the Lender under the Grid Note was \$21,857,408.52 (the "**Indebtedness**").

7. On or about September 14, 2017, SCC, through consultants, commenced a strategic review the business with respect to options for BionX including considering a going concern, out-of-court sale of the BionX business (the "**Strategic Review**").

8. SCC continued to fund the operations of BionX during the Strategic Review; however BionX's financial situation continued to deteriorate and on February 1, 2018, General Motors of Canada Company ("**GM**"), one of BionX's primary customers, notified BionX that it was considering commencing a legal action against BionX in the approximate amount of USD \$5.3 million for alleged breaches of their purchase contract.

9. On February 15, 2018, the Lender made demand on BionX pursuant to the terms of the Grid Note. BionX defaulted in payment of the Grid Note. On February 19, 2018, SCC delivered a letter notifying BionX of the default and giving notice of SCC's intention to enforce its security pursuant to section 244 of the BIA. BionX has acknowledged the indebtedness and consented to SCC enforcing its security.

10. SCC is of the view that the granting of the relief sought in this Application will (a) maximize the potential for a going concern solution for BionX in a stable and transparent court-supervised process, (b) give any potential purchaser the benefit of an approval and vesting order for the conveyance of the Property and (c) permit the full payment of employee severance funded by the Lender.

11. The proposed sales process will be discussed in greater detail in evidence to be provided to the Court by the Receiver's Pre-filing Report.

12. All procedural formalities required of the Lender to commence this enforcement proceeding have been completed, and BionX consents to the appointment of the Proposed Receiver pursuant to the Order sought.

**B. BIONX BACKGROUND**

13. BionX, together with its related companies, designs, manufactures and sells electronic propulsion systems for bicycles. A corporate chart illustrating the structure of BionX and its related companies is attached hereto as **Exhibit "A"** (the "**Corporate Chart**"). Attached hereto as **Exhibit "B"** is a corporate profile report for BionX.

14. BionX operates out of a light industrial facility located at 455 Magna Drive, Aurora, Ontario where it leases 58,020 square feet. This facility is owned by SCC. BionX employs 80 employees. BionX does not have any unionized employees and is not the sponsor of a registered pension plan.

15. As indicated in the Corporate Chart, 60.5% of the common shares of BionX's parent company, BionX International Corp. ("**BIC**"), are owned by SCC. The remaining 39.5% of BionX shares are owned by the sole director and officer of BIC and BionX, Fred Gingl.

16. BionX has four wholly owned subsidiaries (the "**Subsidiaries**"). Based on my review of the BionX records and discussions with the Employees, including Fred Gingl, I understand that the current status of each of the subsidiaries is as follows::

- (a) Bionx America Inc, a company incorporated under the laws of Delaware. BionX America Inc. engages four contract sales people whose salaries are charged back through to BionX;
- (b) Bionx Europe GmbH, a company incorporated under the laws of Austria. BionX Europe GmbH is in the process of being wound down. It currently has one employee;
- (c) Bionx GmbH, a company incorporated under the laws of Germany. BionX GmbH continues to operate and employs 11 full-time employees and 2 part-time employees; and
- (d) Innovator Propulsion Systems (Suzhou) Co, Ltd., a company incorporated under the laws of China. Innovator Propulsion Systems (Suzhou) Co, Ltd. does not have any ongoing operations, employees or contractors. BionX has attempted to find a purchaser for its assets, primarily a small inventory of paddle boats, but has not successfully completed a transaction at this time.

17. BionX designs, manufactures and sells electronic propulsion systems for bicycles. The BionX business has two main divisions including (a) electric bicycle conversion kits (the "**BionX System**") and (b) pursuant to various agreements with GM, the design and manufacture of an electronic propulsion system to be used on a dedicated bike produced by GM (the "**GM System**")

*i) The BionX System Division*

18. The BionX System is composed of an electric motor which attaches to the back wheel hub of a bicycle combined with a lithium ion battery for power. The BionX System is sold under the BionX name and brand to both original equipment manufacturer customers ("**OEM Customers**") and directly to consumers.

19. The OEM Customers incorporate the BionX System on bicycles manufactured by them. These OEM Customers include third parties such as Trek-Bike Europe B.V. and Trek Farrah Ganesh (operating as Trek), Wheeler Industrial Co., Ltd. (operating as Wheeler) and MIFA-Bike, Gesellschaft mbH and Daimler AG (operating as Smart). In addition, the BionX System is used in bicycles manufactured and sold by 2384543 Ontario Inc, a sister company wholly-owned by an affiliated of SCC, and operating under the brand name Elby.

20. The BionX System kits sold directly to consumers are used by them to convert their conventional bicycles into electronic bicycles.

21. BionX continues to operate the BionX System Division but has total payables to suppliers of approximately \$7.2 million of which approximately \$6.5 million is overdue. At this time, some critical suppliers are withholding supplies. SCC anticipates BionX will imminently run out of parts to produce any further units and the BionX System Division's operations will cease.

*ii) GM System Division*

22. BionX entered into agreements with GM to design and manufacture a mid-drive electric propulsion system for bicycles manufactured by GM.

23. Pursuant to the agreements, GM pays BionX for the design and engineering of the GM System, and agreed to purchase 8,000 units in 2018 at approximately USD\$1,000 per unit (the "**Purchase Contract**"). However, BionX projects that the per unit cost for production will be approximately USD\$1,400. In addition, BionX is required to fund \$2.4 million in capital and engineering to support the project without reimbursement from GM.

24. BionX has addressed its concerns regarding the economics of the Purchase Contract with GM. GM responded by giving notice to BionX that BionX had defaulted under the Purchase Contract and that GM intended to make a claim against BionX in the approximate amount of USD \$5.3 million. Further details of GM's claim are set out below.

**C. FINANCIAL POSITION**

25. BionX has been experiencing significant financial difficulties for some time.

26. The financial position of BionX is evidenced by its Balance Sheet as at December 31, 2017 (the "**Balance Sheet**"), attached hereto and marked as **Exhibit "C"**. As set out in the Balance Sheet, BionX incurred a net loss of approximately \$4.5 million in 2017, and has negative shareholder's equity of approximately \$48.6 million. BionX's cash reserves are also depleted. As of December 31, 2017, BionX held unrestricted cash and cash equivalents of only approximately \$230,000.

27. Since its inception, BionX's operations have been funded by regular advances from the Lender as set out in the schedule to the Grid Note, attached hereto as **Exhibit "D"**. BionX is not able to repay its obligations under the Grid Note at this time.

**D. BIONX ASSETS**

28. BionX's primary assets consist of:

- (a) Shares in each of its four wholly owned subsidiaries;
- (b) Inventory in the form of materials to make conversion kits;
- (c) Accounts and other receivables;
- (d) Intercompany receivables;
- (e) Fixed assets;
- (f) Intellectual Property in the electrical propulsion units it designed; and
- (g) Prepaid expenses and amounts.

29. The total book value of BionX's assets at December 31, 2017 excluding goodwill, as set out in the Balance Sheet, was approximately \$19.7 million.

**E. BIONX'S LIABILITIES**

*i) History of BionX debt to SCC*

30. 2255681 Ontario Inc ("**225 Ontario**"), a predecessor of SCC, had been a secured creditor of BIC pursuant to numerous credit agreements, with BionX acting as guarantor of the debt. The credit agreements evidencing BionX's debt to 225 Ontario are as follows:

- a) a Loan Agreement dated September 1, 2011;
- b) a Working Capital Bridge Loan Agreement dated July 16, 2012;
- c) a Demand Loan Agreement dated Feb 11, 2013; and
- d) the Assignment Agreement dated February 11, 2013 between Adena North Enterprises Inc. ("**Adena**") and 225 Ontario assigning a loan agreement dated November 30, 2010 between Adena, as lender, BIC, as borrower and BionX as guarantor from Adena to 225 Ontario.

31. On November 30, 2014, 225 Ontario forgave BIC's indebtedness. At that time the total aggregate indebtedness of BIC to 225 Ontario was \$44,207,410. Attached hereto as **Exhibit "E"** is the Debt Forgiveness Agreement dated November 30, 2014.

32. 225 Ontario continued to fund the operations of BionX through further advances in 2014 and 2015 that were made directly to BionX and not BIC. On October 31, 2015, 225 Ontario was wound up into SCC and SCC and 225 Ontario entered into a General Conveyance & Assumption Agreement, through which 225 Ontario assigned to SCC all of its undertaking, property assets and rights. Attached hereto as **Exhibit "F"** is the General Conveyance & Assumption Agreement dated October 31, 2015.

*i) Current BionX liabilities*

33. The primary secured debt obligation of BionX is the Indebtedness under the Grid Note. The Indebtedness is secured pursuant to a general security agreement in favour of SCC dated January 15, 2018 and attached hereto as **Exhibit "G"** (the "**GSA**"). The GSA grants SCC a security interest in substantially all of the Property (the "**Security Interest**").

34. SCC registered its security interest in respect of BionX under the PPSA on January 12, 2018. Attached hereto as **Exhibit "H"** is a copy of the PPSA search of BionX dated February 16, 2018 showing SCC's registration (the "**PPSA Search**").

35. In addition, BionX has executed:

- e) a confirmation of security interest in intellectual property with respect to patents and industrial designs dated February 5, 2018 executed and delivered in favour of SCC; and
- f) a confirmation of security interest in intellectual property with respect to trademarks dated February 5, 2018 executed and delivered in favour of SCC.

36. As indicated by the PPSA Search, the only other registered security interest over BionX's property is a registration by Ford Credit Canada Leasing, a division of Canadian Road Leasing Company over a motor vehicle.

37. A review of the Balance Sheet shows that, with the exception of the obligations under the Grid Notes that is due at December 31, 2017 of \$20.4 million, the liabilities of BionX are approximately \$54.0 million as at December 2017. These liabilities are primarily intercompany debt to BIC of approximately \$47 million and trade debt of \$7 million, including \$0.5 million of rent payable to SCC.

#### **F. GM CLAIM AND ENFORCEMENT**

38. As a result of its financial difficulties and unfavourable economics with respect to the GM Business, BionX entered into discussions with GM to renegotiate the Purchase Contract. These discussions culminated in a meeting on February 1, 2018 where GM indicated that (a) it would not renegotiate the terms of the Purchase Contract and (b) it would commence a claim against BionX for approximately USD \$5.3 million (the "**GM Claim**"). That same day, GM delivered a letter to BionX alleging that BionX had defaulted under the Purchase Contract. Attached hereto as **Exhibit "I"** is the February 1, 2018 letter from Mark Fischer of GM to Fred Gingl.

39. As a result of (a) the need for significant payments to be made to BionX System suppliers for operations to continue, (b) the unfavourable economics of the GM System

business and (c) the prospect of the GM Claim, SCC was unwilling to provide further funding to continue the BionX business outside of a receivership proceeding to market and sell the Property.

40. Pursuant to the Grid Note, SCC is entitled to make demand upon BionX at any time and BionX must pay the outstanding indebtedness within three (3) days. On February 15, 2018, SCC sent a letter to BionX demanding payment of the Indebtedness within three days pursuant to the terms of the Grid Note (the "**Demand Letter**"). Attached hereto as **Exhibit "J"** is a copy of the Demand Letter addressed to Fred Gingl.

41. BionX made no payment of the Indebtedness and accordingly, the Indebtedness is currently due and payable. On February 19, 2017, SCC delivered to BionX a further demand for payment notifying BionX of the default as well as a notice of its intention to enforce its security pursuant to section 244 of the BIA (the "**244 Notice**"). Attached hereto and marked as **Exhibit "K"** is a copy of the letter dated February 19, 2018 and the 244 Notice.

42. On February 21, 2018, SCC made a further advance under the Grid Note of \$375,000 to finance BionX's payroll requirements (the "**February 21 Advance**"). On February 22, 2018, SCC sent a further demand letter to BionX, demanding payment of the February 21 Advance. Attached hereto as **Exhibit "L"** is a copy of the letter from SCC's counsel, Stikeman Elliott LLP, to Fred Gingl dated February 22, 2018.

43. On February 22, 2018, BionX executed an acknowledgment with respect to the Indebtedness under the Grid Note and consented to the enforcement of SCC's security interest (the "**Acknowledgment and Consent**"). Attached hereto and marked as **Exhibit "M"** is a copy of the Acknowledgment and Consent.

44. SCC's security interest under the GSA is now enforceable. This includes the appointment of a receiver over the assets of BionX. No payments of the Indebtedness have been made as of the date of this affidavit.

**G. APPOINTMENT OF GT AS RECEIVER**

45. In SCC's view, the appointment of GT as the Proposed Receiver is appropriate in the circumstances. GT is a well-respected firm with significant experience in court appointed officer roles.

46. In December of 2017, Michael Creber of GT was engaged by SCC to consider strategic options with respect to BionX and, in particular, provide its recommendation with respect to any insolvency proceedings. Accordingly, GT has reviewed the financial statements provided to SCC by BionX and is familiar with the operational and financial circumstances of BionX, all of which will result in efficiencies in a receivership proceeding.

47. I am advised by Michael Creber that GT is a trustee within the meaning of section 2 of the *BIA*.

48. BionX's sole director supports the application for the appointment of GT as Receiver and has indicated his intention to cooperate with the receivership.

49. GT has consented to act as Proposed Receiver and BionX has consented to the appointment of GT as receiver.

**H. SALES PROCESS**

50. Since December 2017, BIC and BionX have engaged in an informal process to find a purchaser of its shares or assets. This process resulted in discussions with six potential purchasers but ultimately no successful transaction.

51. Prior to commencing this proceeding, GT had the benefit of reviewing the BionX assets and the Strategic Review. It is my understanding that, if appointed, the Proposed Receiver intends to run the Proposed Sale Process in order to find a purchaser for all or part of the BionX business and assets.

52. In the interest of efficiency, SCC is seeking to have the Proposed Sale Process approved by the court at the same time as GT's appointment as receiver. This will inform the court and public of the Proposed Sale Process without a separate and

unnecessary court appearance. The terms of the proposed sales process will be outlined in the Pre-Filing Report of the Proposed Receiver.

**I. FINANCING OF THE RECEIVERSHIP AND RECEIVER'S CHARGE**

53. SCC has been in discussions with the Proposed Receiver regarding the estimated cost of the Receivership. In order to permit the Proposed Sale Process to proceed, SCC is prepared to costs associated with completing the Proposed Sales Process and the receivership mandate up to a maximum of \$1.25 million accruing interest at 5% per annum by way of receivership certificates secured by a court-ordered first ranking charge over the Property. Accordingly, SCC seeks an order that this funding be secured through a receiver's borrowing charge pursuant to section 31 of the BIA

54. It is proposed that the fees and expenses of the Proposed Receiver and its legal counsel in carrying out the Receiver's duties, once appointed, will be secured by a "Receiver's Charge" over the Property which will rank ahead of the Security Interest.

**J. FUNDING EMPLOYEE WAGES, VACATION PAY, NOTICE AND SEVERANCE AMOUNTS**

55. SCC is exploring funding a payment to the Employees, by BionX, of part or all of any wages and vacation pay owed by BionX and any payments that may arise with respect to notice, and severance (collectively, the "**Employee Entitlements**").

56. At this time, SCC is unable to ascertain the total amount of Employee Entitlements either currently payable or that will arise over the course of the Receivership. This calculation will depend, among other things, on whether a going concern solution is reached with respect to the BionX business, however SCC anticipates that there will be significant terminations upon the appointment of the Receiver.

57. SCC is not seeking relief with respect to payments to employees at this time. SCC intends to continue investigating the extent of BionX's liability with respect to Employee Entitlements and may seek relief at a future date permitting the Receiver to pay Employee Entitlements, on behalf of BionX, from funds advanced by SCC to BionX for the purpose of satisfying part of all of the Employee Entitlements.

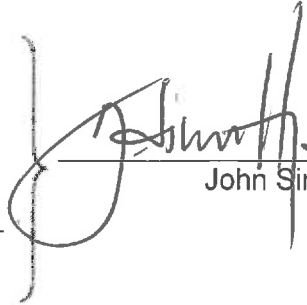
K. CONCLUSION

58. This affidavit is made in support of SCC's Application for the appointment of GT as the Proposed Receiver over the Property of BionX, together with the proposed ancillary and related relief as set out in the draft Receivership Order filed, and for no other or improper purpose.

SWORN AFFIRMED BEFORE ME at the City  
of Toronto, this 23<sup>rd</sup> day of February, 2018.



A Commissioner for taking Affidavits (or as  
may be)



John Simonetti

# **APPENDIX 3**

**[ATTACHED]**



## STATEMENT OF DEVELOPMENT WORK

|                                    |                |                                   |                 |
|------------------------------------|----------------|-----------------------------------|-----------------|
| AUTHOR:                            | Steve Hayslett | BUYER:                            | Vinod Kumar     |
| PHONE:                             | 248 408 4708   | PHONE:                            | +1 585 857 3906 |
| DEPARTMENT:                        | Eletrification | UPDATE DATE:                      | 4/6/2016        |
| SUBMIT DATE:                       | 2/10/2016      | PURCHASE ORDER #:                 |                 |
| REVIEWED FOR EXPORT COMPLIANCE BY: | Jennifer Kijek | EXPORT COMPLIANCE CLASSIFICATION: | ear99 and 3A991 |

PROJECT TITLE:

eBike Propulsion System, Production Development with early prototype

PURPOSE:

The purpose of the project is to design a GM electric bike propulsion system, based on existing GM design. The purpose is to develop a production design that is competitively benchmark, improve upon existing GM design, and achieve program targets to enable a flawless product launch.

### **Early Prototype Purpose:**

An early porotype electric bike propulsion system shall be developed, based on existing GM design and hardware, and leverages early prototype / decoupled development efforts. The early prototype propulsion system shall be functional and used for internal and external demonstrations

SERVICES/DELIVERABLES AND RESPONSIBILITIES:

### **RASIC Roles & Responsibilities**

LEGEND: G= General Motors Engineering R= Responsible, A= Approval  
S= Supplier S= Support, I= Inform, C= Consult

**Table 1 RASIC**

| Activity                                       | GM    | Supplier |
|------------------------------------------------|-------|----------|
| Program Management                             | S     | R        |
| Technical Reviews                              | S     | R        |
| Drive System Gate Reviews                      | S     | R        |
| eBike Gate Reviews                             | R     | S        |
| Timing Chart                                   | A     | R        |
| Open Issues Tracking                           | A     | R        |
| Sourcing of Engineering Development Components | A     | R        |
| Specification Development                      | R / A | R        |
| Lessons Learned                                | R     | R        |
| DFMEA                                          | A     | R        |
| DFM                                            | S     | R        |
| Design-Interface Control Drawing/Data          | S / A | R        |
| Design -Detailing Mechanical                   | S     | R        |

|                                               |       |       |
|-----------------------------------------------|-------|-------|
| Design-Detailing Electrical                   | S     | R     |
| Design Analysis                               | A     | R     |
| Software Development                          | A     | R     |
| Software Validation                           | A     | R     |
| Continuous Improvements (Fit, Form, Function) | S / A | R     |
| Change Management                             | S / A | R     |
| DVP&R                                         | A     | R     |
| Testing And Validation (Vehicle)              | R     | S     |
| Testing And Validation (Powertrain)           | S     | R     |
| User Manual                                   | A     | R     |
| Remote Diagnostics                            | A     | R     |
| Drive System Data Presentation                | A     | R     |
| Component Tooling (including design review)   | S     | R / A |
| PVP&R                                         | A     | R     |
| PFMEA                                         | A     | R / A |
| Control Plan                                  | A     | R     |
| Styling - Class A                             | R     | S     |
| IP Reviews                                    | R     | R     |

The supplier shall provide full time project management throughout the duration of the project.

The supplier shall host several weekly meetings including but not limited to:

- Product Development Team (PDT)

The supplier shall participate in GM meetings as necessary, including but not limited to:

- Powertrain Integration Team(PIT)
- Participation in GM Safety Reviews, Program Definition , Timing Workshops,

The supplier shall maintain and update necessary program management documents, including:

- Timing
- Action Items / Open Issues
- Meeting Agenda
- Meeting Attendance
- Meeting Notes

## **Services/Deliverables**

The supplier shall provide the necessary management, engineering, test, manufacturing, and support resources to develop a complete, competitive, and balanced electric bike drive system for GM. The supplier shall carry out and deliver the following services and deliverables, along with other services and deliverables determined by GM in accordance with this Statement of Work and the Engineering, Design & Development Services Purchase Order to which this is attached, all of which shall be documented in a project plan to be created by the supplier and approved by GM:

### 1) Systems Engineering

- a. Requirements definition for system architecture through utilization of benchmarked systems industry standards, and supplier / GM agreement.

- b. Energy Analysis including both mechanical and electrical power flows. Losses of all major components at critical design points shall be regularly reviewed including: mechanical efficiencies, motor efficiency/loss, inverter loss, and battery loss.
    - i. energy analysis correlated to bench and bike test results
      - 1. existing bikes
      - 2. new bikes
  - c. Performance analysis of entire system and critical sub-systems (motor, battery, inverter, and system).
    - i. Calculation of range estimate for various riding conditions
    - ii. Continuous capability of system and critical sub-systems.
    - iii. Peak capability of system and critical sub-systems.
    - iv. Identification of limiting components / conditions.
  - d. Fault / Worst case analysis of system such as: including short circuit current, uncontrolled regeneration, and demagnetization analysis. Failure modes shall be reviewed and plans shall be made to minimize risk via DFMEA.
  - e. Hazard Analysis
  - f. Development of production documents:
    - i. Sub System Technical Specification (SSTS)
    - ii. Control Strategy & Architecture w/ Simulink
    - iii. DFMEA for system and key components
    - iv. Mech. Diagram
      - 1. Electrical interfaces
      - 2. Thermal interfaces
  - g. Participation and support in development of GM VTS (Vehicle Technical Spec)
  - h. Development and updates of drive system cross section.
  - i. Development of a Bill of Materials for entire system including prototype and system cost, supplier data, and mass.
  - j. Final Production Unit validation test report including demonstration of reliability and bike level performance targets met.
  - k. Design concept trade studies: including regenerative braking, clutch strategies, motor selection, inverter design, packaging, system architecture, gear design, NVH reduction, and mass strategy.
  - l. Development of custom electrical connectors as required including but not limited to signal, 3 phase, DC charging, and DC link
  - m. Development of drive cycles for eBike evaluation with GM validation input.
- 2) Planetary Gear Set Engineering
- a. Requirements definition for planetary through utilization of benchmarked systems, industry standards, and supplier / GM agreement.
  - b. Design and analysis such as: load and stress analysis, kinematic analysis, durability, lubrication, and loss.
  - c. Detailed design including development of drawing package and manufacturing plan using production methods.
  - d. DFA / DFM of planetary gear set
- 3) Mechanical Design / Engineering
- a. Requirements definition for components and assemblies through utilization of benchmarked systems, industry standards, and supplier / GM agreement.
  - b. Detailed design/analysis of manufactured components and assemblies (appropriate balance of hand calculations and finite element methods), including system interactions (when necessary) including, but not limited to: thermal analysis, structural analysis, CAD design, sealing analysis, and development of prototype drawing packages.
  - c. Decoupled development of Bill of Design for critical component sizing including: one way clutch(s), noise, bearings, shaft, and housing. Methods shall include benchmarking via performance / durability testing, early hardware prototypes for design improvement evaluation, and physical testing of current design.

- d. All drawings shall include reference to project
- 4) Electric Machine Engineering
  - a. Requirements definition for mechanical components through utilization of benchmarked systems, industry standards, and supplier / GM agreement.
  - b. Design and analysis with hardware correlation including but not limited to: loss and efficiency analysis, torque ripple and noise / vibration minimization, cogging torque, thermal sizing, demagnetization, material selection, machine parameter (flux map, resistance, machine parameters), and mass.
  - c. Mechanical design and specification of the machine for structural (including magnet retention), insulation system life, thermal sizing of machine, and air gap dimensional stack ups.
  - d. Machine characterization using both analytical and lab test methods under normal and worst case analysis.
  - e. Final production validation test report using bench test for motor and generating conditions including, but not limited to: torque speed curve, efficiency map, flux map, continuous thermal, and transient thermal.
- 5) Electrical Systems Engineering
  - a. Requirements definition for electrical systems through utilization of benchmarked systems, industry standards, and supplier / GM agreement.
  - b. Analysis for controlled and worst case conditions leading to selection of key components (switching devices, capacitors, processor (s), and sensor.
  - c. Detailed design including development of schematics, board layout, and bill of materials.
  - d. Design with GMW3172 validation methodologies.
  - e. Final test report using bench test for, but not limited to: torque speed curve, efficiency map, flux map, continuous thermal, transient thermal, charge and discharge characteristics, and worst case conditions.
  - f. Design for electromagnetic compatibility.
- 6) Thermal Systems Engineering
  - a. Creation and maintenance of thermal models for components and system
    - i. Battery , motor, inverter, case,
    - ii. Correlation of thermal model to test results
      - 1. Current existing bikes
      - 2. New designs
    - iii. Development of duty cycles
    - iv. Development of thermal loading cases including extreme and storage conditions
- 7) Materials Engineering
  - a. All materials shall be reviewed and approved by materials engineer
- 8) Battery Pack Engineering
  - a. battery life cycle analysis
  - b. develop battery thermal model to predict battery life (target to be less than 10C cell to cell delta)
  - c. engineering analysis of abuse conditions with solution (vibration, shock, and submersion)
  - d. define a battery safety control strategy
  - e. develop a charger requirement and usage profile (including connector durability requirement)
  - f. development battery component technical specification
  - g. development of all interfaces and associated mounting hardware working with eBike structural team.
  - h. development of long term storage deep sleep safe functionality
- 9) Validation Engineering
  - a. Development and review with GM Validation engineer of a complete validation plan including:
    - i. test leg definition with sample size
      - 1. system
      - 2. components
      - 3. controls / software
      - 4. safety and abuse testing
      - 5. performance testing
    - ii. detailed test procedures, including:
      - 1. cycle definition

- 2. loading
    - iii. accelerated testing methodology
      - 1. definition of customer usage
      - 2. customer to test correlation
    - iv. hardware requirements
    - v. Detailed Bill of Materials with test equipment, equipment supplier, cost
  - b. Commissioning of engineering test lab
  - c. Design and Production Validation Plan and Report
  - d. Validation Cross Reference Index completion.
  - e. Execution of Validation Plan(s)
  - f. Final production validation report demonstrating reliability, performance, and requirements.
- 10) Controls / Software Engineering
- a. Requirements definition for control systems through utilization of benchmarked systems, industry standards, and supplier / GM agreement.
  - b. Detailed design of controls and software leading to: system block diagram, state diagram with safety strategy, software design / architecture (including identification of 3<sup>rd</sup> party products), control loop identification and specification (system bandwidth analysis, motor control specifications, battery management specifications, and supervisory control).
  - c. Final test report including demonstration of control system features and all safety features as installed in electric bike.
  - d. Generation and delivery of source code (with compiled files) for component, sub-system, system, and bike level evaluation / testing.
  - e. Development of CAN and CANape (XCP) or similar based calibration system
  - f. Development of field service and troubleshooting tool chain
  - g. Development of advanced algorithms such as: shift event recognition and dampening, pedal effort transformation, torque ration adaptation to grade and road roughness.
  - h. Functional Safety, possibly ASIL level A or greater.
  - i. Cyber security
- 11) Manufacturing
- a. Design for Assembly based on experience, best practices, and engineering requirements.
  - b. Development of necessary assembly methods, fixtures, and tools as necessary for builds.
  - c. Development of assembly instructions as necessary for builds.
  - d. Development and in process checks and end of line testing necessary.
  - e. Final assembly report demonstrating complete functionality and good process control.
- 12) Bike builds and systems integration
- a. Assembly of drive system into bike as necessary
  - b. Integration of drive system into bikes
  - c. Development of mule vehicles for product evaluation
- 13) Benchmarking & Decoupled Development
- a. Benchmarking of Bosch, Brose, Shimano, and Yamaha mid drive systems with focus on Bosch drive systems.
    - i. Detailed mass BOM
    - ii. Part measurement / feature analysis
      - 1. Including gear major, minor, and length
    - iii. Power flow
  - b. Durability Benchmarking of Bosch Drive system for program targets
    - i. Analytical
    - ii. Test
  - c. Material and Metallurgical analysis of gears, shafts, case, and other structural elements
  - d. Motor Design
  - e. Test of Bosch spin loss and mechanical efficiency
  - f. Development of clutch sizing requirements for human to output clutch assembly.
  - g. Lubrication Strategy
  - h. Housing Noise Mitigation
  - i. Design Sufficiency Review of existing GM design



## STATEMENT OF DEVELOPMENT WORK

### 14) Homologation / Regulations

- a. Review of all regulatory documents
- b. Development of plan to meet regulatory requirements of each region
- c. Certification of product for each region
- d. Export compliance

### **Hardware:**

**Table 2 DV Hardware Breakdown**

| Usage                     | Drive Units | Battery    | Full Sized Battery |
|---------------------------|-------------|------------|--------------------|
| Supplier DV & Development | 60          | 80         |                    |
| GM Folding Bikes          | 35          | 45         |                    |
| IVER Mtn Bike Fleet       | 20          |            | 20                 |
| Battery Lab / Test        |             | 8          |                    |
|                           |             |            |                    |
| <b>Total</b>              | <b>115</b>  | <b>133</b> | <b>20</b>          |

Performance of hardware shall meet agreed upon SSTs requirements prior to supplier delivery to GM, any non-compliance will only be eligible for invoice when requirements are met. Full sized battery includes more parallel strings,

### **Milestones:**

| Deliverable                                                                                                                                                               | Required By Date                      | Submit To |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------|
| Monthly technical and business progress report with supporting documentation as aligned with SODW deliverables, timing, task(s), and progress report with approval by GM. | March 31, 2016, updated every 30 days | GM        |

Technical and business report shall include man hours spent on each task category, engineers assigned to project and time spent working, engineering and business documents demonstrating progress

### **Early Prototype Services/Deliverables**

The supplier shall provide the necessary management, engineering, test, manufacturing, and support resources to develop a complete, competitive, and balanced electric bike drive system for GM. The supplier shall carry out and deliver the following services and deliverables, along with other services and deliverables determined by GM in accordance with this Statement of Work and the Engineering, Design & Development Services Purchase Order to which this is attached, all of which shall be documented in a project plan to be created by the supplier and approved by GM:

### 15) Systems Engineering

- a. Refine currently existing design and re-use of components/parts as possible.

### 16) Planetary Gear Set Engineering

- a. Development of new functional, efficient, gear set capable of demonstrating:
  - i. DFA
  - ii. NVH
  - iii. Performance
  - iv. Lubrication Strategy

### 17) Mechanical Design / Engineering

- a. Development of propulsion system case demonstrating:
  - i. Mechanical integration to bike
  - ii. NVH reduction
  - iii. Styled surface

### 18) Electric Machine Engineering

- a. characterization of machine and development of controls



## STATEMENT OF DEVELOPMENT WORK

- 19) Electrical Systems Engineering
  - a. BMS
    - i. Supplier to provide fully functional proto-type BMS that supports critical safety function.
  - b. Inverter
    - i. Pull ahead inverter demonstrating interfaces
    - ii. Production concept location
- 20) Materials Engineering
  - a. All materials shall be reviewed and approved by materials engineer
- 21) Battery Pack Engineering
  - a. Development of new functional, efficient pack:
    - i. Thermal solution concepts
    - ii. Battery Packaged in bike
    - iii. Styled surface
  - b. Supplier to provide functional chargers
- 22) Controls / Software Engineering
  - a. BMS controls
  - b. Inverter controls
  - c. Demonstration of CAN protocol to external devices
- 23) Bike builds and systems integration
  - a. Assembly of propulsion system into bike as necessary
  - b. Integration of system into bikes
- 24) Logistics
  - a. Responsible for shipping all bike components and any certifications / dunnage required to ship internationally (NA and EU)

### **Early Prototype Hardware:**

#### **Table 3 Early Prototype Hardware Breakdown**

Battery Pack Prototype: 2-6

Drive Unit Prototypes: 2-6

Integration Kits: 2-6

### **Early Prototype Milestones:**

| Deliverable                                                                                                                                                               | Required By Date                      | Submit To |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|-----------|
| Monthly technical and business progress report with supporting documentation as aligned with SODW deliverables, timing, task(s), and progress report with approval by GM. | March 31, 2016, updated every 30 days | GM        |

Technical and business report shall include man hours spent on each task category, engineers assigned to project and time spent working, engineering and business documents demonstrating progress.

### **NO OPEN SOURCE SOFTWARE:**

No open source software will form part of the goods and services that Seller will provide.

### **PROJECT TIMING:**

Preliminary project timing to be provided with quotation and finalized within 21 days of contract signing.

### **Early Prototype Timing:**

First Functional Prototype shipped in GM bike to EU Aug1, 2016

## TECHNICAL SPECIFICATION:

### **System Contents:**

- I. Mid Drive Unit (motor, inverter, gear set, 2 clutches, housing, torque sensor)
  - i. User input clutch approx. 180 Nm
  - ii. Motor input clutch approx. 120 Nm (potential for drive unit to be commercialized with or without this clutch).
  - iii. Inverter sized for 60 amps RMS
  - iv. Motor Peak output torque 5-6 Nm
  - v. Gear ratio approx. 20:1
  - vi. output power peak 500 – 700 Watts
  - vii. output power continuous – 325 Watts
- II. Battery Pack(s) (cells, soft pack, BMS, connectivity...)
  - i. 180 – 200 Wh,
  - ii. Peak power approx. 1000 Watts
  - iii. Energy Bus Connector or equivalent
  - iv. CAN communication
  - v. Integral BMS
  - vi. 8 mile EV range flat ground with 200 lbm Docking hardware
- III. Peripherals GM Provided)
  - i. Display: Support I/O (on/off button, function button(s), SOC/mode/assist indicator(s), BLE)
  - ii. Throttle (go button) External modifications for Fit / Form / Function.
  - iii. Brake sensor
  - iv. Shift Detection or shift system
- IV. Peripherals (Developed):
  - i. Wheel Speed Sensor (high quality commercially available bicycle wheel speed sensor)
- V. Connectivity (support GM BLE protocol, CAN protocol mainstream data)
- VI. Software / Controls (Motor Controls, System controller, BMS)
  - i. Cyber security (ex. separate micro for security task)
    1. Export compliance
  - ii. System safety control

### **Early Prototype Functionality**

- 100 Nm at chain ring
- 700 W motor output
- NVH improvements
- 10 miles EV range
- Serviceability

### **Regulatory / Certifications / Standard:**

The supplier shall develop the electric propulsion system to be US, EU, China, Japan regulation compliant and meet industry standards. The supplier shall survey and be responsible for compliance to all regulations.

<http://bike-eu.com.s3-eu-central-1.amazonaws.com/app/uploads/2015/04/Bike-Europe-Whitepaper-Speed-e-bike-regulations-2.pdf>

### **European Standards:**

- EN 15194 - (EPAC – Electrically Power Assisted Cycles)
- 2001/95/EC - General Product Safety Directive,
- EN 14764
- Directive 2006/42/EC – Machinery Directive
- Regulation 168/2013 category L1e-A

- [http://ec.europa.eu/enterprise/sectors/automotive/documents/directives/motorbikes/index\\_en.htm](http://ec.europa.eu/enterprise/sectors/automotive/documents/directives/motorbikes/index_en.htm)

- Directive 2004/108/EC - EMC
- EN 15194 - EMC
- Directive 2011/65/EC -- RoHS Directive
- Directive 2006/66/EC -- Battery Directive
- Directive 2013/19/EU – Waste Electrical & Electronic Equipment

## US CPSC

- 16 CFR 1512 - *REQUIREMENTS FOR BICYCLES*
- <http://www.gpo.gov/fdsys/granule/CFR-2012-title16-vol2/CFR-2012-title16-vol2-part1512>

## UN Standards:

- UN3840 - Battery
- UN3841 – Packaged Battery
- UN Manual of test and criteria, Part III, subsection 38.3.1 – Battery Transportation

## Industry standards:

- NEN-EN 14781 Racing bicycles - Safety requirements and test methods.
- ISO 4210 (parts 1 through 9)

## GM Standards:

- GMW3172 (use of methodology)

Additional standards to be supplied upon sourcing.

## **Test Equipment:**

The supplier shall have maintain critical test equipment, to execute validation on site, for the course of the project, including:

- Whole bike wheel testers with input and output electrical & mechanical power control and measurement.
- Drive unit back to back testing and/or appropriate durability dyno
- Motor back to back or appropriate motor dynes for durability testing.
- Performance dyne for drive unit
- Performance dyne for motor

The supplier shall maintain suitable power measurement equipment including: torque meters, high resolution speed and position sensing, AC Power (Yokogawa wt3000 or equivalent), power supplies, active loads, high quality dyne motors. The test systems should include test automation system with ability to log data continuously, run automated script, and run unattended 24/7 as needed.

## **Export Control**

In connection with the Agreement, the Parties shall comply with the export control laws and regulations of the United States, Canada and any other applicable jurisdiction. Each Party shall identify commodities, materials, software and technology specifically listed in the U.S. Munitions List of the ITAR or the Commerce Control List of the EAR and/or Canadian Export Control List ("Controlled Item").

Any Controlled Items that are identified during the course of the Program shall be handled in the following manner:

- a) The sending Party shall notify the other Party of the Controlled Item's or technology's classification prior to any shipment or transmission;
- b) The Party receiving notice under (a) above shall have an opportunity to accept or reject the delivery of the Controlled Item prior to shipment or transfer by the sending Party;



## STATEMENT OF DEVELOPMENT WORK

- c) The Parties shall make reasonable efforts to cooperate in obtaining required licenses for the Controlled Items or technology, to effectively continue the Program;
- d) Rejection of a Controlled Item shall not constitute a breach of this Agreement;
- e) The Parties shall assess the impact of the Controlled Item rejection to determine if the Program can continue or not.

Any Controlled Item notice and response to be delivered to GM shall be in writing and sent to the GM Project Lead.

Compliance with these laws and regulations includes, but is not limited to, abiding by applicable US and Canadian sanctions, embargoes and prohibitions on transactions with restricted parties, countries and regions. This includes, but is not limited to, the prohibition on the transfer of commodities, materials, software and technology (i.e., all Items) subject to this Agreement to, or procurement from, U.S. sanctioned countries and regions, currently Iran, Syria, North Korea, Sudan, Cuba and the Crimea region of Ukraine, unless such transactions are permissible under applicable U.S. laws and regulations.

Final specification for the battery cells to be used is not yet defined. It is anticipated that cells with a density of less than 300 Wh/kg will be used. These cells are export controlled under ECCN 3A991 when not incorporated into a battery and technology related to these cells is classified 3E991. U.S. export control regulations prevent exports of cells or cell technology to the embargoed or sanctioned countries; currently Iran, Syria, North Korea, Sudan, Cuba and the Crimea region of Ukraine. It also prevents deemed exports to restricted parties, including non-US persons with citizenship in the restricted countries. In the unlikely event a cell with a density of greater than 300 Wh/kg is selected for the project, the GM SODW author identified on this document will contact their Sub-Export Compliance Officer and a technology control plan (TCP) will be implemented. All participants are advised that this would require limiting access to the cells (when not assembled in the battery) and to the cell technology to a select list of U.S. persons trained on the technology control plan (TCP).

### **Shipping Requirements:**

The supplier shall ship deliveries compliant with CFR 49 for ground or air transportation. All bike and electric drive system components shall be shipped in container suitable for multiple reshipments. The supplier shall confirm with GM that the shipping container and CFR approvals are both suitable for the supplier and GM.

### **Math Data Delivery:**

All final prints and 3d models shall be delivered to GM as UG NX9 and to supplier prototype standards. Team Center environment for file sharing is preferred. Truibility data transfer is accepted. Full size PDF copies of all drawings shall also be provided throughout the project. Drawings and 3d models must be readable by GM. Full release into GM is not required.

### **Change Log:**

- Rev1 – initial release
- Rev2 – updated GM DFMEA Approval, VTS description, drawing project #, GMW2172 Methodology, move cyber security to controls/software, DV Hardware description, removed PV hardware quantities, remove quote section, update technical description
- Rev3 – export compliance update early prototype adds: title, purpose, services, deliverables, milestones, hardware, timing and functionality,

# **APPENDIX 4**

**[ATTACHED]**

|                        |                                         |
|------------------------|-----------------------------------------|
| <b>Seller Contact:</b> |                                         |
| <b>Name:</b>           | BIONX CANADA INC                        |
| <b>Address:</b>        | 455 MAGNA DR<br>AURORA ON L4G 7A9<br>CA |



Canada

General Motors of Canada Company

## Purchase Contract - Spot Buy

Issue Date: Mar. 08, 2016

### Buyer:

General Motors of Canada Company  
1908 Colonel Sam Drive  
Oshawa ON L1H 8P7  
CA

### Seller:

BIONX CANADA INC  
455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
DUNS: 243829467

### Buyer Contact:

Name: vinod.kumar  
Purchasing Group: 417  
Tel: 585-857-3906  
Fax: N/A  
Email: vinod.kumar@gm.com

### Seller Contact:

Name: BIONX CANADA INC  
Address: 455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
Tel: 9057267830  
Fax: N/A  
Email: mwilletts@ridebionx.com

Upon the terms and conditions set forth in this Purchase Contract, Seller agrees to sell and Buyer agrees to purchase, the goods or services described below.

### Purchase Contract Details

Purchase Contract Number: 4300237222  
Effective Date: N/A  
Expiration Date: Mar. 08, 2018  
Amendment: 3  
Payment terms: 47 Days Average with Weekly Disbursements

### Payment calculated from:

For Goods: On receipt of goods at buyers plant  
For Services: On receipt of a valid Invoice

Currency: CAD  
Incoterms: FOB/Free on board  
Origin, Freight Collect

Ship To: See line item details  
Name: See line item details  
Address: See line item details

Tel: See line item details  
Fax: See line item details  
Email: See line item details

### Invoice Mailing Address

Buyer: GM of Canada Company:3000  
C/O: INDIRECT INVOICE PROCESSING  
Address: PO BOX 982268  
EL PASO,  
TEXAS 79998-2268  
Tel: N/A  
Fax: 855-228-1494  
Email: eSAP\_AP\_CA@gm.com

### Requestor

Name: Steven Hayslett  
Tel: N/A  
Email: steven.hayslett@gm.com



Canada

General Motors of Canada Company

### Purchase Contract - Spot Buy

Purchase Contract #: 4300237222

Amendment: 3

Currency: CAD

| Item  | Delivery Date | Buyer Material # | Short Description             | Qty         | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-------------------------------|-------------|-----------------|--------------------------------|------------------|
| 00005 | Aug. 29, 2016 | N/A              | DV / Beta Tooling @ Pass Thru | 1169826.000 | ZLV             | 1.00/1/ZLV                     | 1,169,826.00     |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item  | Delivery Date | Buyer Material # | Short Description               | Qty     | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|---------------------------------|---------|-----------------|--------------------------------|------------------|
| 00006 | Jan. 28, 2017 | N/A              | DV / Beta Hardware: Drive Units | 227.000 | ZLV             | 4,327.00/1/ZLV                 | 982,229.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule



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General Motors of Canada Company

### Purchase Contract - Spot Buy

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Currency: CAD

| Item  | Delivery Date | Buyer Material # | Short Description                 | Qty    | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-----------------------------------|--------|-----------------|--------------------------------|------------------|
| 00007 | Jan. 28, 2017 | N/A              | DV / Beta Hardware: Battery Packs | 72.000 | ZLV             | 3,126.00/1/ZLV                 | 225,072.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item        | Delivery Date | Buyer Material # | Short Description                 | Qty         | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------------|---------------|------------------|-----------------------------------|-------------|-----------------|--------------------------------|------------------|
| 50001<br>10 | Feb. 29, 2016 | N/A              | Engineering, Design & Development | 5676712.000 | ZLV             | 1.00/1/ZLV                     | 5,676,712.00     |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule



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### Purchase Contract - Spot Buy

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Currency: CAD

| Item        | Delivery Date | Buyer Material # | Short Description         | Qty        | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------------|---------------|------------------|---------------------------|------------|-----------------|--------------------------------|------------------|
| 50002<br>10 | Feb. 29, 2016 | N/A              | Material Cost @ pass thru | 544706.000 | ZLV             | 1.00/1/ZLV                     | 544,706.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item        | Delivery Date | Buyer Material # | Short Description                        | Qty         | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------------|---------------|------------------|------------------------------------------|-------------|-----------------|--------------------------------|------------------|
| 50003<br>10 | Feb. 29, 2016 | N/A              | Outside Test and Services @<br>pass thru | 1688850.000 | ZLV             | 1.00/1/ZLV                     | 1,688,850.00     |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule



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## Purchase Contract - Spot Buy

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Currency: CAD

| Item    | Delivery Date | Buyer Material # | Short Description                       | Qty         | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|---------|---------------|------------------|-----------------------------------------|-------------|-----------------|--------------------------------|------------------|
| 5000410 | Feb. 29, 2016 | N/A              | Dedicated GM Equipment Cost @ pass thru | 1040068.000 | ZLV             | 1.00/1/ZLV                     | 1,040,068.00     |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item    | Delivery Date | Buyer Material # | Short Description      | Qty        | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|---------|---------------|------------------|------------------------|------------|-----------------|--------------------------------|------------------|
| 5000510 | Jul. 25, 2016 | N/A              | ED&D - Early Prototype | 305388.000 | ZLV             | 1.00/1/ZLV                     | 305,388.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule



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| Item    | Delivery Date | Buyer Material # | Short Description                      | Qty        | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|---------|---------------|------------------|----------------------------------------|------------|-----------------|--------------------------------|------------------|
| 5000610 | Jul. 25, 2016 | N/A              | Material - Early Prototype (Pass Thru) | 183203.000 | ZLV             | 1.00/1/ZLV                     | 183,203.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: N/A

Ship To:

Name: 3000

Address: 500 Wentworth Street West Oshawa ON L1H 3V9 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

|             |               |
|-------------|---------------|
| Total Value | 11,816,054.00 |
|-------------|---------------|



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### Delivery Schedule

| Line Item # | Delivery Schedule | Buyer Material # | Qty           | Unit of Measure | Delivery Date |
|-------------|-------------------|------------------|---------------|-----------------|---------------|
| 00005       | 0001              |                  | 1,169,826.000 | ZLV             | Aug. 29, 2016 |
| 00006       | 0001              |                  | 227.000       | ZLV             | Jan. 28, 2017 |
| 00007       | 0001              |                  | 72.000        | ZLV             | Jan. 28, 2017 |
| 50001       | 0001              |                  | 1.000         | AU              | Feb. 29, 2016 |
| 50002       | 0001              |                  | 1.000         | AU              | Feb. 29, 2016 |
| 50003       | 0001              |                  | 1.000         | AU              | Feb. 29, 2016 |
| 50004       | 0001              |                  | 1.000         | AU              | Feb. 29, 2016 |
| 50005       | 0001              |                  | 1.000         | AU              | Jul. 25, 2016 |
| 50006       | 0001              |                  | 1.000         | AU              | Jul. 25, 2016 |



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### General Terms and Conditions

#### 1. ACCEPTANCE:

Seller has read and understands this Contract and agrees that Seller's written acceptance or commencement of any work or services under this Contract shall constitute Seller's acceptance of these terms and conditions only.

#### 2. SHIPPING, PAYMENT AND RIGHT TO AUDIT:

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination; (b) to route shipments in accordance with Buyer's instructions; (c) to make no charge for handling, packaging, storage or transportation of goods, unless otherwise stated as an item on this contract; (d) to provide with each shipment packing slips with Buyer's contract and/or release number and date of shipment marked thereon; (e) to properly mark each package with a label/tag according to Buyer's instructions; (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Buyer's instructions and the carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the goods purchased. Seller further agrees: (a) to accept payment based upon Buyer's Evaluated Receipt Record/Self Billed Invoice, unless an invoice is requested by Buyer; and (b) to accept payment by electronic funds transfer. The payment date is set forth elsewhere in this Contract, or if not stated, shall be 47/weekly, which provides that payment shall be made on average in 47 days, with weekly disbursements, following receipt of the goods at Buyer's plant or, if directed by Buyer, receipt of a valid invoice. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this Contract. Seller grants to Buyer access to all pertinent information and materials, including, but not limited to, books, records, payroll data, receipts, correspondence parts, tools, fixtures, equipment and gages and other documents/materials of Seller, its affiliates, subsidiaries and subcontractors, for the purpose of auditing Seller's charges under this contract. Seller will preserve these documents/materials for a period of (3) three years after the final payment under this contract. Seller will segregate its records and otherwise cooperate with Buyer so as to facilitate the audit.

#### 3. DELIVERY SCHEDULES:

Time is of the essence, and deliveries shall be made both in quantities and at times specified in Buyer's schedules. Seller shall take action to electronically communicate purchasing and supply chain transactions in a secure (encrypted) manner, including but not limited to receiving Buyer's RFQs, purchase contracts and production schedules, as well as sending ASNs, quotes and proposals to Buyer. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Buyer may direct in subsequent releases.

#### 4. PREMIUM SHIPMENTS:

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall ship the goods as expeditiously as possible at Seller's sole expense.

#### 5. CHANGES:

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this contract including work with respect to such matters as inspection, testing or quality control, and Seller agrees to (a) promptly make such changes, and (b) accept any subsequently issued contracts implementing such changes. Any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and



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detail as Buyer may direct. Any changes to this Contract shall be made in accordance with Paragraph 31.

### 6. SUPPLIER QUALITY AND DEVELOPMENT; INSPECTION:

Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time. In addition, Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this Contract. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

### 7. NONCONFORMING, REJECTED, OBSOLETE OR SURPLUS GOODS:

Seller acknowledges that Buyer will not perform incoming inspections of the goods, and waives any rights to require Buyer to conduct such inspections. To the extent Buyer rejects goods as nonconforming, the quantities under this Contract will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new contract or schedule from Buyer. Nonconforming goods will be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the goods without liability to Seller. Payment for nonconforming goods shall not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Any goods a) determined to be nonconforming by Seller (or its suppliers), b) rejected by Buyer as nonconforming, c) that become obsolete or surplus, will be rendered unusable prior to salvage or disposal by Seller (or its suppliers). Seller will ensure that nonconforming, rejected, obsolete or surplus goods are not sold as service or replacement parts to third parties. Seller agrees to institute appropriate controls with its suppliers to ensure compliance with this section.

### 8. FORCE MAJEURE; LABOR DISRUPTION INVENTORY:

Any delay or failure of either party to perform its obligations shall be excused if Seller is unable to produce, sell or deliver, or Buyer is unable to accept delivery, buy or use, the goods or services covered by this contract, as the result of an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than 10 days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase goods and services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or have Seller provide the goods and services from other sources in quantities and at times requested by Buyer, and at the price set forth in this contract. If requested by Buyer, Seller shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide adequate assurance that the delay will cease within 30 days, Buyer may immediately terminate this contract without liability. In addition, Seller at its expense shall take such actions as are necessary to ensure the supply of goods and services to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of Seller's labor contract(s).

### 9. WARRANTY:

Seller warrants/guarantees that the goods covered by this contract will conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use and warrants/guarantees that all goods covered by this contract that have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use will be fit and sufficient for the particular purposes intended by Buyer. The warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers for goods installed on vehicles, such longer period shall apply.



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### 10. INGREDIENTS DISCLOSURE; SPECIAL WARNINGS AND INSTRUCTIONS:

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

### 11. INSOLVENCY:

Buyer may immediately terminate this contract without liability to Seller in any of the following or any other comparable events: (a) insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment or assignment is not vacated or nullified within 15 days of such event. Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the foregoing, including, but not limited to, all attorney's or other professional fees.

### 12. TERMINATION FOR BREACH OR NONPERFORMANCE; SALE OF ASSETS OR CHANGE IN CONTROL:

Buyer reserves the right to terminate all or any part of this contract, without liability to Seller, if Seller: (a) repudiates or breaches any of the terms of this contract, including Seller's warranties; (b) fails to perform services or deliver goods as specified by Buyer; (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach. In addition, Buyer may terminate this contract upon giving at least 60 days notice to Seller, without liability to Seller, if Seller (i) sells, or offers to sell, a material portion of its assets, or (ii) sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a sufficient amount of its stock that effects a change in the control of Seller.

### 13. TERMINATION FOR CONVENIENCE:

In addition to any other rights of Buyer to terminate this contract, Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all goods or services that have been completed in accordance with this contract and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this contract to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this contract; less, however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods that are in Seller's standard stock or that are readily marketable. Payments made under this Paragraph shall not exceed the aggregate price payable by Buyer for finished goods or services that would be produced or performed by Seller under delivery or release schedules outstanding at the date of termination. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this contract. Within 90 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller.



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### 14. INTELLECTUAL PROPERTY:

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against any claims of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services; Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification; (b) that Buyer or Buyer's subcontractor has the right to repair, reconstruct, or rebuild the specific goods delivered under this contract without payment of any royalty to Seller; (c) that parts manufactured based on Buyer's drawings and/or specifications may not be used for its own use or sold to third parties without Buyer's express written authorization; and (d) to the extent that this contract is issued for the creation of copyrightable works, the works shall be considered "works made for hire;" to the extent that the works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein.

### 15. TECHNICAL INFORMATION DISCLOSED TO BUYER:

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this contract.

### 16. INDEMNIFICATION:

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's and other professional fees) for damages to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim, or demand arising out of the sole negligence of Buyer.

### 17. INSURANCE:

Seller shall maintain insurance coverage with carriers acceptable to Buyer and in the amounts set forth in the Special Terms. Seller shall furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this contract.

### 18. SELLER'S PROPERTY:

Unless otherwise agreed to by Buyer, Seller, at its expense, shall furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the goods. The cost of changes to Seller's Property necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer. Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option shall not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

### 19. BUYER'S PROPERTY:

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly housed and maintained by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract; shall be deemed to be personalty; shall be conspicuously marked by Seller as the property of Buyer; shall not be commingled with



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the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

### 20. SERVICE AND REPLACEMENT PARTS:

Seller will sell to Buyer goods necessary for it to fulfill its current model service and replacement parts requirements at the price(s) set forth in this contract. If the goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the 15 year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first 5 years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for goods shall be as agreed to by the parties. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

### 21. REMEDIES:

The rights and remedies reserved to Buyer in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in Paragraph 9, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs, expenses and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods; (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims for personal injury (including death) or property damage caused by such nonconforming goods. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods.

### 22. CUSTOMS; EXPORT CONTROLS:

Credits or benefits resulting or arising from this contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labelling requirements and local content origin requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

### 23. SETOFF/RECOUPMENT:

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

### 24. NO ADVERTISING OR POSTING OF GM INFORMATION:

Seller shall not, without first obtaining the written consent of Buyer, in any manner a) advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract, b) use any trademarks or trade names of Buyer in Seller's advertising or promotional materials, or c) use GM information in any form of electronic communication such as web sites (internal or external), blogs, or other types of



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postings.

### 25. COMPLIANCE WITH LAWS; EMPLOYMENT/BUSINESS PRACTICES:

Seller, and any goods or services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this contract. Seller agrees to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, and that neither it nor any of its subcontractors will directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority to obtain or retain any contract, business opportunity, or other benefit, or to influence any act or decision of that person in his/her official capacity. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

### 26. NO IMPLIED WAIVER:

The failure of either party at any time to require performance by the other party of any provision of this contract shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this contract constitute a waiver of any succeeding breach of the same or any other provision.

### 27. NON-ASSIGNMENT:

Unless otherwise specifically prohibited by applicable law, Seller may not assign or delegate its rights or obligations under this contract without Buyer's prior written consent.

### 28. RELATIONSHIP OF PARTIES:

Seller and Buyer are independent contracting parties and nothing in this contract shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

### 29. GOVERNING LAW; JURISDICTION:

This contract is to be construed according to the laws of the country (and state/province, if applicable) from which this contract is issued as shown by the address of Buyer, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over Buyer's location, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this contract is issued.

### 30. SEVERABILITY:

If any term(s) of this contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this contract shall remain in full force and effect.

### 31. ENTIRE AGREEMENT:



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This contract, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in this contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this contract and supersedes all prior oral or written representations and agreements. This contract may only be modified by a contract amendment issued by Buyer.

Revised: January 2011

### Special Terms and Conditions

ADDITIONAL PURCHASE ORDER TERMS AND CONDITIONS  
FOR ENGINEERING, DESIGN & DEVELOPMENT SERVICES

#### 1. SERVICES AND COMPENSATION

1.1 SELLER AGREES TO PROVIDE SERVICES ("SERVICES") TO BUYER IN ACCORDANCE WITH THE TERMS OF THIS PURCHASE ORDER AND THE STATEMENT OF WORK OR STATEMENT OF REQUIREMENTS PROVIDED BY BUYER ("STATEMENT OF WORK"). THE STATEMENT OF WORK CONTAINS A DETAILED DESCRIPTION OF SERVICES SELLER WILL PERFORM, THE WORK PRODUCT AND OTHER MATERIALS THAT SELLER WILL DELIVER TO BUYER (THE "DELIVERABLES"), AND THE TIME WHEN THE DELIVERABLES WILL BE PROVIDED.

1.2 SELLER WILL BE COMPENSATED FOR SERVICES AS SET FORTH IN THE STATEMENT OF WORK, BUT NOT TO EXCEED THE AMOUNT SET FORTH ON THE FACE OF THIS PURCHASE ORDER, WITHOUT BUYER'S PRIOR WRITTEN APPROVAL. IN ADDITION AND ONLY IF EXPRESSLY PERMITTED IN THE STATEMENT OF WORK, BUYER MAY REIMBURSE REASONABLE AND NECESSARY OUT-OF-POCKET COSTS AND SUBCONTRACTED COSTS ASSOCIATED WITH THE SERVICES, PROVIDED SUCH COSTS HAVE BEEN PREVIOUSLY APPROVED BY BUYER IN WRITING. OUT-OF-POCKET AND SUBCONTRACTED COSTS WILL BE BILLED NET, WITHOUT MARK-UP.

#### 2. INVOICING PAYMENT

2.1 FOLLOWING THE PROVISION OF SERVICES, SELLER SHALL SUBMIT AN INVOICE IN ACCORDANCE WITH THE STATEMENT OF WORK. IF REQUESTED IN THE STATEMENT OF WORK OR OTHERWISE BY BUYER, SELLER SHALL SUBMIT WITH EACH INVOICE FOR PAYMENT, A PROGRESS REPORT SPECIFYING THE MILESTONES OR PHASES THAT HAVE BEEN COMPLETED AGAINST THE STATEMENT OF WORK. IN THOSE



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CASES WHERE A MILESTONE OR PHASE HAS NOT BEEN COMPLETED THE SELLER SHALL SUBMIT TO BUYER THE WORK PERFORMED DURING THE PERIOD AND THE PERCENTAGE OF EACH MILESTONE OR PHASE THAT HAS BEEN COMPLETED. ANY DELAY IN THE SUBMISSION OF SUCH PROGRESS REPORT BY SELLER SHALL CAUSE A CORRESPONDING DELAY IN THE PAYMENT OBLIGATION DATE OF BUYER.

2.2 THE PAYMENT TERM IS SET FORTH ELSEWHERE IN THE CONTRACT OR IF NOT STATED, SHALL BE NET 60, WITH DISBURSEMENTS OCCURRING ON A WEEKLY PAYMENT CYCLE. PAYMENT WILL BE TRIGGERED UPON BUYER'S RECEIPT OF A VALID INVOICE.

### 3. PROGRAM MANAGERS; FORM OF DESIGN DATA; CHANGES

3.1 IF REQUESTED IN THE STATEMENT OF WORK OR OTHERWISE BY BUYER, SELLER AND BUYER SHALL EACH APPOINT AN INDIVIDUAL AS PROGRAM MANAGER FOR THE WORK TO BE DONE UNDER THIS PURCHASE ORDER. SUCH PERSONS SHALL BE RESPONSIBLE FOR ALL COMMUNICATIONS BETWEEN THE PARTIES AND ANY APPROVALS REQUIRED HEREUNDER. THE PROGRAM MANAGERS SHALL MUTUALLY AGREE ON THE FORM, WHETHER DOCUMENTARY OR MACHINE READABLE, CONTENT AND ENGINEERING LANGUAGE OF ALL DESIGN DATA FURNISHED BY SELLER TO BUYER HEREUNDER, INCLUDING ALL ENGINEERING RELEASES AND ENGINEERING CHANGE REQUESTS.

3.2 BUYER SHALL HAVE THE RIGHT TO DEMAND CHANGES TO THE PERFORMANCES SPECIFIED IN THIS PURCHASE ORDER (HEREINAFTER "CHANGES"), INCLUDING BUT NOT LIMITED TO CHANGES BASED ON MODIFICATIONS OF THE SPECIFICATIONS SET FORTH IN STATEMENT OF WORK.

3.3 TO THE EXTENT THAT THE CHANGES DO NOT REQUIRE A SUBSTANTIAL AMOUNT OF ADDITIONAL WORK, SELLER SHALL IMPLEMENT SUCH CHANGES WITHOUT PAYMENT OF ADDITIONAL COMPENSATION. IN CASE OF CHANGES WHICH REQUIRE A SUBSTANTIAL AMOUNT OF WORK, SELLER SHALL ACCEPT BUYER'S AMENDED PURCHASE ORDER AND THE OVERALL COMPENSATION SHALL BE ADJUSTED ACCORDINGLY BY MUTUAL CONSENT, UNLESS SELLER FURNISHES PROOF THAT SUCH CHANGES CANNOT BE



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IMPLEMENTED.

#### 4. MEETINGS

BUYER MAY REQUEST MEETINGS WITH SELLER, TO BE HELD AT MUTUALLY AGREEABLE TIMES AND PLACES, TO EVALUATE THE PROGRESS OF THE DELIVERABLES AND MATTERS RELATED THERETO. EACH PARTY WILL DEVOTE REASONABLE EFFORTS TO ENSURE ATTENDANCE OF APPROPRIATE PERSONNEL AT ANY SUCH MEETING, INCLUDING REPRESENTATIVES WHO ARE PARTY TO THE THIRD-PARTY AGREEMENTS WHOSE PRESENCE BUYER REQUESTS.

#### 5. STANDARD OF WORKMANSHIP AND WARRANTY

5.1 SELLER SHALL USE ITS BEST SKILLS, RESOURCES AND JUDGMENT TO PERFORM ALL SERVICES IN AN EFFICIENT AND ECONOMICAL MANNER AND IN ACCORDANCE WITH THE HIGHEST PROFESSIONAL STANDARDS OF WORKMANSHIP, TO THE REASONABLE SATISFACTION OF BUYER. IN ADDITION TO OTHER RIGHTS PROVIDED UNDER THIS PURCHASE ORDER OR AT LAW, SELLER SHALL PERFORM AGAIN, AT NO COST TO BUYER, ANY SERVICES AND FURNISH ANY DESIGN DATA WHICH, IN THE REASONABLE OPINION OF BUYER, DOES NOT MEET SUCH STANDARDS. SELLER WARRANTS THE PERFORMANCE OF ALL AGREED OBLIGATIONS BY SELLER AND THE RIGHTS GRANTED HEREIN. SELLER AGREES TO ACHIEVE DELIVERABLES THAT ARE FREE AND CLEAR OF THIRD PARTIES RIGHTS.

5.2 WHEN DELIVERABLES INCLUDE COMPUTER PROGRAMS, INCLUDING, WHERE APPLICABLE, OBJECT CODE (INCLUDING MICROCODE) AND SOURCE CODE, AND ANY ENHANCEMENTS, MODIFICATIONS, UPDATES OR RELEASES RELATING THERETO ("DEVELOPED SOFTWARE"), SELLER FURTHER AGREES TO PROVIDE BUYER WITH ALL DOCUMENTATION RELATED THERETO INCLUDING USER MANUALS, TRAINING MATERIALS, PRODUCT DESCRIPTIONS AND APPLICABLE SPECIFICATIONS, TECHNICAL MANUALS AND SUPPORTING MATERIALS, DEVELOPED DOCUMENTS, AND OTHER PRINTED INFORMATION,



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WHETHER DISTRIBUTED IN PRINT, ELECTRONIC, OR VIDEO FORMAT. FURTHERMORE, SELLER AGREES THAT NO PORTION OF THE DEVELOPED SOFTWARE DELIVERED TO BUYER WILL CONTAIN ANY UNDISCLOSED FEATURES OR ANY "BACK DOOR," "TIME BOMB," "TROJAN HORSE," "WORM," "DROP DEAD DEVICE," "VIRUS," OR OTHER COMPUTER SOFTWARE ROUTINES OR HARDWARE COMPONENTS DESIGNED TO (I) PERMIT ACCESS OR UNAUTHORIZED USE OF EITHER THE DEVELOPED SOFTWARE OR BUYER'S COMPUTER SYSTEMS OR VEHICLES, (II) DISABLE, DAMAGE OR ERASE THE DEVELOPED SOFTWARE OR DATA, OR (III) PERFORM ANY OTHER SUCH ACTIONS. FURTHERMORE, THE DEVELOPED SOFTWARE SHALL NOT CONTAIN PREPROGRAMMED PREVENTATIVE ROUTINES OR SIMILAR DEVICES WHICH PREVENT BUYER FROM EXERCISING THE RIGHTS GRANTED UNDER THIS AGREEMENT OR FROM UTILIZING THE DEVELOPED SOFTWARE FOR THE PURPOSE FOR WHICH IT WAS DESIGNED.

### 6. PROPRIETARY INFORMATION

IN ORDER THAT SELLER'S EMPLOYEES, APPROVED SUB-CONTRACTORS AND AGENTS ("SELLER'S PERSONNEL") MAY EFFECTIVELY PROVIDE THE SERVICES TO BUYER UNDER THIS PURCHASE ORDER, IT MAY BE NECESSARY OR DESIRABLE FOR BUYER TO DISCLOSE CONFIDENTIAL OR PROPRIETARY INFORMATION PERTAINING TO BUYER'S PAST, PRESENT AND FUTURE ACTIVITIES. ALL PROPRIETARY INFORMATION FURNISHED OR MADE AVAILABLE BY BUYER TO SELLER OR TO SELLER'S PERSONNEL IN CONNECTION WITH THE WORK OR SERVICES TO BE PERFORMED FOR BUYER HEREUNDER, AND ALL PROPRIETARY INFORMATION GENERATED OR DEVELOPED BY SELLER OR SELLER'S PERSONNEL FOR BUYER (COLLECTIVELY BUYER'S PROPRIETARY INFORMATION), SHALL BE OWNED BY BUYER, SHALL BE TREATED AS CONFIDENTIAL BY SELLER AND SELLER'S PERSONNEL AND SHALL NOT BE USED OR DISCLOSED BY SELLER OR SELLER'S PERSONNEL, EITHER IN WHOLE OR IN PART, EXCEPT UPON WRITTEN AUTHORIZATION BY BUYER. SELLER SHALL MAKE



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SELLER'S PERSONNEL AWARE OF THEIR OBLIGATION NOT TO USE OR DISCLOSE BUYER'S PROPRIETARY INFORMATION. WHERE SELLER BECOMES AWARE OF CIRCUMSTANCES REGARDING SELLER'S PERSONNEL WHICH COMPROMISES OR MAY COMPROMISE BUYER'S PROPRIETARY INFORMATION, SELLER WILL IMMEDIATELY INFORM BUYER OF SUCH CIRCUMSTANCES.

### 7. INTELLECTUAL PROPERTY

7.1 SELLER AGREES THAT BUYER WILL OWN ALL RIGHTS, TITLE AND INTEREST TO ALL PARTS OF THE DELIVERABLES CREATED, WHETHER INDEPENDENTLY BY SELLER OR SELLER'S PERSONNEL OR JOINTLY WITH BUYER'S EMPLOYEES, PURSUANT TO THIS PURCHASE ORDER, WHETHER OR NOT COMPLETED, INCLUDING WITHOUT LIMITATION ALL INTELLECTUAL PROPERTY RIGHTS THEREIN AND RELATED THERETO (THE "PROJECT TECHNOLOGY").

FOR THE PURPOSE OF THIS PURCHASE ORDER, INTELLECTUAL PROPERTY RIGHTS MEANS ANY LETTERS PATENT, PATENTED ARTICLES, PATENT APPLICATIONS, DESIGNS, INDUSTRIAL DESIGNS, COPYRIGHTS, SOFTWARE, SOURCE CODE, DATABASE RIGHTS, MORAL RIGHTS, INVENTIONS WHETHER OR NOT CAPABLE OF PROTECTION BY PATENT OR REGISTRATION, TECHNIQUES, TECHNICAL DATA, AND KNOW-HOW, WHETHER REGISTERED OR UNREGISTERED AND INCLUDING APPLICATIONS, REGISTRATIONS AND RENEWALS IN CONNECTION THEREUNDER FOR THE GRANT OF ANY SUCH ASSETS OR RIGHTS OF THE FOREGOING DESCRIPTIONS AND ALL RIGHTS OR FORMS OF PROTECTION HAVING EQUIVALENT OR SIMILAR EFFECT ANYWHERE IN THE WORLD. INTELLECTUAL PROPERTY SHALL EXCLUDE ALL BRANDS, TRADEMARKS, TRADE NAMES, SLOGANS AND LOGOS OF THE SELLER UNLESS SPECIFICALLY IDENTIFIED AS A DELIVERABLE PURSUANT TO THIS PURCHASE ORDER. SELLER, ON BEHALF OF ITSELF AND SELLER'S PERSONNEL, HEREBY GRANTS, ASSIGNS AND TRANSFERS, TO BUYER ALL RIGHTS, TITLE AND INTEREST TO ALL INTELLECTUAL PROPERTY RIGHTS,



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INCLUDING ANY "MORAL RIGHTS," IN SUCH PROJECT TECHNOLOGY, FREE AND CLEAR OF ANY AND ALL CLAIMS FOR ROYALTIES OR OTHER COMPENSATION, UNLESS OTHERWISE LIMITED BY LOCAL LAW. SELLER SHALL PROMPTLY DISCLOSE ALL INVENTIONS TO BUYER, EXECUTE SUCH DOCUMENTS AND DO SUCH OTHER ACTS AS MAY BE REASONABLY NECESSARY TO FURTHER EVIDENCE OR EFFECTUATE BUYER'S RIGHTS IN AND TO THE PROJECT TECHNOLOGY, AND SHALL CAUSE THE SELLER PERSONNEL TO DO SO. IF AND TO THE EXTENT THAT ANY MORAL RIGHTS CANNOT BE ASSIGNED TO BUYER, THEN SELLER WILL OBTAIN SUCH WAIVERS, RELEASES OR CONSENTS AS MAY BE NECESSARY OR APPROPRIATE TO ENSURE THAT BUYER'S USE, TRANSFER, LICENSE, EXPLOITATION AND ALIENATION OF THE PROJECT TECHNOLOGY WILL NOT INFRINGE OR MISAPPROPRIATE THE RIGHTS THAT CANNOT BE ASSIGNED.

7.2 INTELLECTUAL PROPERTY RIGHTS OWNED BY SELLER OR SELLER'S PERSONNEL OR AFFILIATES THAT WERE NOT CREATED AS A DIRECT CONSEQUENCE OF WORK CONTRACTED UNDER THIS PURCHASE ORDER OR ACCESS TO BUYER'S PROPRIETARY INFORMATION (SELLER'S INTELLECTUAL PROPERTY RIGHTS) REMAIN THE PROPERTY OF SELLER OR SELLER'S PERSONNEL OR AFFILIATES AND BUYER WILL ACQUIRE NO RIGHT OR INTEREST IN SUCH SELLER'S INTELLECTUAL PROPERTY RIGHTS, EXCEPT FOR THE LICENSE SET FORTH IN THE FOLLOWING SENTENCE. SELLER HEREBY GRANTS AND CAUSES SELLER'S PERSONNEL AND AFFILIATES TO GRANT TO BUYER, A NON-EXCLUSIVE, PERPETUAL, IRREVOCABLE, WORLDWIDE, ROYALTY-FREE, FULLY PAID-UP, LICENSE, WITH RIGHT TO SUBLICENSE, TO MAKE, HAVE MADE, USE, SELL, OFFER TO SELL, IMPORT, IMPROVE, COPY, DISTRIBUTE, REPRODUCE OR MODIFY, CREATE DERIVATIVE WORKS, PERFORM AND DISPLAY ALL SELLER'S INTELLECTUAL PROPERTY RIGHTS ONLY WHICH ARE EMBODIED IN THE DELIVERABLES OR OTHERWISE REQUIRED TO EXPLOIT THE DELIVERABLES PROVIDED HEREUNDER IN WHOLE OR IN PART, INCLUDING THE RIGHT TO MODIFY AND IMPROVE WITHOUT LIMITATION.



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7.3 SELLER WILL PROMPTLY PROVIDE, AND WILL ENSURE THAT SELLER'S PERSONNEL PROMPTLY PROVIDE, WHATEVER ASSISTANCE BUYER REASONABLY REQUIRES:

(A) NECESSARY TO VEST THE ENTIRE RIGHT, TITLE AND INTEREST IN ANY PROJECT TECHNOLOGY AND ANY INTELLECTUAL PROPERTY RIGHTS IN THE PROJECT TECHNOLOGY IN BUYER, IRRESPECTIVE OF THE COUNTRY, INCLUDING SIGNING ALL ASSIGNMENTS, TRANSFERS AND OTHER PAPERS; AND

(B) RELATING TO THE CONDUCT OF ANY CLAIM, DEMAND, INTERFERENCE, OPPOSITION, LITIGATION OR OTHER CONTROVERSY IN CONNECTION WITH THE TRANSFER OF ANY RIGHTS TO BUYER OF THE PROJECT TECHNOLOGY, PROVIDED THAT ALL EXPENSES INCIDENT TO THE FILING OF SUCH APPLICATIONS, THE PROSECUTION THEREOF AND THE CONDUCT OR HANDLING OF ANY CLAIM, DEMAND, INTERFERENCE, LITIGATION OR OTHER CONTROVERSY SHALL BE BORNE BY BUYER, PROVIDED SUCH EXPENSES ARE NOT CONSEQUENT UPON A BREACH BY THE SUPPLIER OF THIS AGREEMENT.

7.4 SELLER SHALL CLAIM/ACQUIRE ALL INVENTOR RIGHTS OF SELLER'S PERSONNEL REQUIRED UNDER LAW TO ENABLE IT TO GRANT BUYER THE RIGHTS IN ARTICLES 7.1 AND 7.2.

7.5 SELLER SHALL ASSUME FULL AND SOLE RESPONSIBILITY FOR COMPENSATING SELLER'S PERSONNEL FOR ASSIGNED WORK DONE UNDER THIS PURCHASE ORDER, INCLUDING WITHOUT LIMITATION THE REMUNERATION OF EMPLOYEES FOR INVENTIONS. SELLER SHALL INDEMNIFY BUYER FROM AND AGAINST ALL CLAIMS OF SELLER'S PERSONNEL FOR COMPENSATION FOR SUCH WORK UPON FIRST DEMAND AND SELLER SHALL BE EXCLUDED FROM ASSERTION OF ALL DEFENSES AND OBJECTIONS.

8. CONDUCT OF SELLER'S EMPLOYEES



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8.1 SELLER AND ITS APPROVED SUBCONTRACTORS SHALL EACH EXERCISE THEIR BEST EFFORTS TO FURNISH COMPETENT EMPLOYEES TO PERFORM THE SERVICES. WHEN ON BUYER'S PREMISES, SELLER AND SELLER'S PERSONNEL SHALL COMPLY WITH ALL OF BUYER'S REGULATIONS, POLICIES AND REASONABLE DIRECTION OR BUYER, IN ITS SOLE DISCRETION, SHALL HAVE THE RIGHT TO BAR SUCH PERSON FROM BUYER'S PREMISES OR REQUEST SELLER REMOVE HIM/HER.

8.2 CONTINUOUS IMPROVEMENT OF THE PRODUCTIVITY AND AVAILABILITY OF THE WORKFORCE ARE AS PRIMARY OBJECTIVES OF BUYER AND SELLER. TO ACCOMPLISH THESE OBJECTIVES, BUYER AND SELLER ACKNOWLEDGE THAT SPECIFIC ACTIONS MUST BE AGREED UPON AND UNDERTAKEN BY BOTH PARTIES TO STABILIZE AND TRAIN THE WORKFORCE. SELLER SHALL REPORT ON A QUARTERLY BASIS, THE STABILITY OF ITS WORKFORCE AND ITS PARTICIPATION IN TRAINING PROGRAMS. BUYER WILL MONITOR THESE REPORTS TO ENSURE COMPLIANCE WITH THE OBJECTIVES.

### 9. RIGHT TO AUDIT

SELLER HEREBY GRANTS TO BUYER ACCESS TO ALL PERTINENT RECORDS, CORRESPONDENCE, WRITINGS, ELECTRONIC FILES, DRAWINGS, AND RECEIPTS RELATED TO THE SERVICES PERFORMED BY SELLER UNDER THIS PURCHASE ORDER. SELLER FURTHER AGREES TO MAINTAIN SUCH RECORDS FOR A MINIMUM PERIOD OF THREE (3) YEARS AFTER FINAL PAYMENT, UNLESS LOCAL LAWS OTHERWISE REQUIRE A DIFFERENT RETENTION PERIOD FOR ANY PARTICULAR RECORDS. SELLER FURTHER AGREES TO COOPERATE FULLY WITH BUYER WITH ALL REASONABLE REQUESTS OF BUYER DURING AUDIT AND AGREES THAT SUCH AUDIT MAY BE USED AS A BASIS FOR SETTLEMENT OF DISPUTES WHICH MIGHT ARISE REGARDING PAYMENTS UNDER THIS PURCHASE ORDER.

### 10. SUBCONTRACTING



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SELLER AGREES NOT TO SUBCONTRACT ANY PORTION OF THE SERVICES WITHOUT THE PRIOR WRITTEN APPROVAL OF BUYER. IN THE EVENT OF SUCH APPROVAL, SELLER SHALL A) NOTIFY ANY APPROVED SUBCONTRACTOR OF SELLER'S OBLIGATIONS UNDER THIS PURCHASE ORDER, B) INCLUDE SIMILAR PROVISIONS IN THE SUBCONTRACT, AND C) SHALL DEMAND STRICT ADHERENCE TO THE PROVISIONS SET FORTH IN THIS PURCHASE ORDER.

NOTWITHSTANDING ANY APPROVAL, SELLER SHALL RETAIN FULL RESPONSIBILITY FOR THE PERFORMANCE OF SERVICES BY THE APPROVED SUBCONTRACTOR(S).

### 11. INDEPENDENT CONTRACTOR

IT IS EXPRESSLY UNDERSTOOD AND AGREED THAT THE SELLER'S PERSONNEL SHALL BE AND WILL REMAIN SELLER'S EMPLOYEES OR APPROVED SUBCONTRACTORS, AND UNDER NO CIRCUMSTANCES ARE THEY TO BE CONSIDERED BUYER'S EMPLOYEES OR AGENTS. SELLER ACKNOWLEDGES AND AGREES THAT THERE SHALL BE AN INDEPENDENT CONTRACTOR RELATIONSHIP BETWEEN SELLER AND BUYER AT ALL TIMES. SELLER SHALL PROVIDE THE SERVICES AT ITS OWN RISK AND ASSUME FULL RESPONSIBILITY FOR SUCH SERVICES. SELLER SHALL NOT USE BUSINESS PREMISES OF BUYER TO PERFORM THE SERVICES UNLESS OTHERWISE AGREED IN WRITING OR IN THE STATEMENT OF WORK.

### 12. ELECTRONIC COMMUNICATION

SELLER SHALL TAKE ACTION TO ELECTRONICALLY COMMUNICATE PURCHASING AND SUPPLY CHAIN TRANSACTIONS IN A SECURE (ENCRYPTED) MANNER, INCLUDING BUT NOT LIMITED TO RECEIVING BUYER'S RFQS, PURCHASE CONTRACTS AND PRODUCTION SCHEDULES, AS WELL AS SENDING ASNS, QUOTES AND PROPOSALS TO BUYERS.

PARAGRAPHS 2, 3, 4, 5, 6, 7 AND 20 ARE DELETED FROM THE GENERAL TERMS AND CONDITIONS.

(REVISED JANUARY 2011 - OLIMPIC CLAUSE ED)  
SPECIAL PROVISIONS FOR GM CANADA



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(GM CANADA, CLAUSE CA)

### SPECIAL PROVISIONS:

#### 1) SPECIAL TERM (CANADA)-INSURANCE: (UPDATED :MAY 21,2013)

FOR PURPOSES OF THIS AGREEMENT, THE INSURANCE COVERAGES REQUIRED UNDER PARAGRAPH 17 (-INSURANCE-) OF THE GENERAL TERMS AND CONDITIONS ARE AS FOLLOWS: (A) WORKERS' COMPENSATION: STATUTORY LIMITS FOR THE PROVINCE(S) IN WHICH THIS CONTRACT IS TO BE PERFORMED (OR EVIDENCE OF AUTHORITY TO SELF INSURE); (B) COMMERCIAL GENERAL LIABILITY COVERING LIABILITY ARISING FROM PREMISES, OPERATIONS, INDEPENDENT CONTRACTORS, PRODUCTS/COMPLETED OPERATIONS, PERSONAL INJURY AND ADVERTISING INJURY, AND LIABILITY ASSUMED UNDER AN INSURED CONTRACT: \$5,000,000 EACH OCCURRENCE; AND (C) AUTOMOBILE LIABILITY (INCLUDING OWNED, NON-OWNED AND HIRED VEHICLES): \$5,000,000 EACH ACCIDENT. GM SHALL BE NAME AS AN ADDITIONALLY INSURED ON ALL GENERAL LIABILITY POLICIES. 3. HAZARDOUS MATERIAL AS OF OCTOBER 31, 1988 CANADA ENACTED THE WORKPLACE HAZARDOUS INFORMATION SYSTEM (WHMIS) WHICH IS A CANADA WIDE WORKERS RIGHT-TO-KNOW LEGISLATION. SINCE ALL SUPPLIERS INCLUDING THOSE FROM OUTSIDE CANADA MUST COMPLY, THE SELLER SHALL AGREE TO CLASSIFY AND LABEL ITS PRODUCTS ACCORDING TO THE WHMIS REGULATIONS AND PROVIDE COMPLETE AND CURRENT MATERIAL SAFETY DATA SHEETS (MSDS).

#### 2) MISCELLANEOUS (OVERSHIPMENTS, SUPPLIER COMMUNICATION, SERVICE DESK)

##### OVERSHIPMENTS (CLAUSE C8-B)

SHIP EXACT QUANTITIES AS REQUESTED. OVERSHIPMENTS WILL BE RETURNED AT SELLER'S EXPENSE.

(CLAUSE C8 - LAST UPDATED NOV. 17TH, 2011)

##### SERVICE DESK (CLAUSE HU)

THE NEW REQUEST TO PAY SERVICE DESK FOR SUPPLIERS AND GM EMPLOYEES IS AVAILABLE MONDAY # FRIDAY 8A-5P EST AT 1-888-376-6115 US/CANADA OR 662-236-3768 MEXICO AND ON-LINE AT GMNAR2PHHELP@GM.COM. THIS REQUEST TO PAY SERVICE DESK CAN ANSWER QUESTIONS RELATED TO INDIRECT PURCHASING AND ACCOUNTS PAYABLE INCLUDING PAYMENT AND DISBURSEMENT ISSUES.

CLAUSE HU LAST UPDATED (MARCH 29th, 2016)

##### GM-SUPPLIER COMMUNICATION VIA GM SUPPLY POWER (SP)

GM USES GM SUPPLY POWER TO COMMUNICATE INFORMATION AND REFERENCE MATERIAL TO ITS SUPPLY BASE CONCERNING IMPORTANT PROCESSES LIKE INVOICING, PAYMENT, SHIPPING ETC. PLEASE ENSURE THAT YOUR COMPANY AND LOCAL CONTACTS ARE REGISTERED TO FULLY BENEFIT FROM THAT INFORMATION. REFER TO BELOW LINK FOR REGISTRATION INSTRUCTIONS: [HTTPS://GMSUPPLYPOWER.COVISINT.COM/WEB/PORTAL/HELP\\_AND\\_TRAINING](https://gmsupplypower.covisint.com/web/portal/help_and_training) ONCE REGISTERED YOU CAN ACCESS SPECIFIC GM INDIRECT/MACHINERY&EQUIPMENT PURCHASING MATERIAL VIA THE SUPPLIER COMMUNICATION PORTLET / PROCESS UPDATES /INDIRECT/M&E. (CLAUSE SP, LAST UPDATED SEPTEMBER 16TH, 2011)

#### 3) WORKERS' COMPENSATION

FOR WORK OR SERVICES PERFORMED ON BUYER'S PREMISES, WHENEVER REQUESTED BY BUYER, SELLER SHALL PROVIDE BUYER WITH EVIDENCE OF COMPLIANCE BY ITSELF AND ITS SUBCONTRACTORS WITH ALL THE REQUIREMENTS OF WORKERS' COMPENSATION LEGISLATION IN THE RELEVANT JURISDICTION INCLUDING PAYMENTS DUE THEREUNDER, BY SUBMITTING SUCH EVIDENCE TO THE BUYER.



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#### 4) WITHHOLDING TAX

PAYMENTS TO NON RESIDENTS OF CANADA FOR SERVICES RENDERED IN CANADA ARE SUBJECT TO WITHHOLDING TAX AT THE RATE OF 15%. THIS WITHHOLDING TAX WILL BE DEDUCTED FROM EACH PAYMENT WITHIN 60 DAYS FOLLOWING THE CALENDAR YEAR IN WHICH THE AMOUNTS WERE WITHHELD. YOU WILL RECEIVE FROM OUR TAX DEPARTMENT A T4A-NR SLIP THAT WILL SHOW, IN CANADIAN FUNDS, THE TOTAL AMOUNT PAID BEFORE DEDUCTION OF THE WITHHOLDING TAX AND THE TOTAL TAX WITHHELD. ANY QUESTIONS OR ADDITIONAL INFORMATION ON HOW TO CLAIM BACK ANY TAX WITHHELD, PLEASE CONTACT THE CANADA REVENUE AGENCY (CRA), INTERNATIONAL TAX SERVICES OFFICE, 2204 WALKLEY RD, OTTAWA, ON K1A 1A8 OR CALL THEM AT 1-800-561-7761 EXT 9144. THEIR WEBSITE ADDRESS IS WWW.CRA-ARC-GC.CA

#### 5) AFTER-SALES SERVICE

THE SELLER AGREES THAT, TO THE EXTENT REQUESTED BY THE BUYER, SELLER OR THIRD PARTY WILL PROVIDE, OR PROVIDE FOR THE DELIVERY OF, THE FOLLOWING SERVICES EITHER AS PART OF THE WARRANTY OR SERVICES PAID OR SPECIFICALLY AGREED UPON AS PART OF AND DESCRIBED IN THIS AGREEMENT OR AS PART OF A SEPARATE AGREEMENT NEGOTIATED NOW OR HEREAFTER BY THE PARTIES AFTER-SALES SERVICING INCLUDING, BUT NOT LIMITED TO, THE SETUP, INSTALLATION, MODIFICATION, CUSTOMIZATION REPAIR, MAINTENANCE AND TRAINING AS PART OF THE WARRANTY OR AS ADDITIONAL SERVICES PROVIDED AT A COST AS SET OUT IN THIS CONTRACT, OR AT A COST TO BE NEGOTIATED. IF NECESSARY, A SEPARATE SERVICE AGREEMENT OR PURCHASE ORDER MAY BE ENTERED INTO BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO ANY OF THE AFTER-SALES SERVICES TO THE GOODS PURCHASED BY THE BUYER UNDER THIS CONTRACT.

(LAST UPDATED: MAY 24TH, 2013)

#### 6) EXPORT CONTROLS; SANCTIONS COMPLIANCE (CLAUSE E1)

SELLER AGREES TO COMPLY WITH ALL APPLICABLE EXPORT CONTROL AND SANCTIONS LAWS AND REGULATIONS OF THE UNITED STATES OF AMERICA, OF MEMBER STATES OF THE EUROPEAN UNION, AND ANY OTHER RELEVANT COUNTRY (THE "EXPORT CONTROL LAWS"). SELLER WILL NOT VIOLATE, AND WILL NOT CAUSE BUYER TO VIOLATE, ANY EXPORT CONTROL LAWS (E.G., BY TRANSSHIPPING GOODS THROUGH, OR SUPPLYING GOODS OR SERVICES FROM, SANCTIONED COUNTRIES OR REGIONS). LICENSES OR OTHER AUTHORIZATIONS REQUIRED FOR THE EXPORT OF GOODS OR SERVICES WILL BE THE RESPONSIBILITY OF SELLER UNLESS OTHERWISE INDICATED IN THIS CONTRACT, IN WHICH EVENT SELLER WILL PROVIDE SUCH INFORMATION AS MAY BE REQUESTED BY BUYER TO ENABLE BUYER TO OBTAIN SUCH LICENSES OR AUTHORIZATIONS.

(CLAUSE E1) LAST UPDATED APRIL 15TH, 2015

#### 7) INVOICING GUIDELINES (CLAUSE IG)

1. REVIEW THE PURCHASE ORDER/RELEASE FOR ACCURACY.
2. ADDITIONS OR CHANGES MUST BE SUBMITTED IN WRITING. INVOICE ONLY AFTER YOU HAVE RECEIVED AN ALTERATION TO THE PURCHASE ORDER/RELEASE.
3. ALL INVOICES MUST CONTAIN EITHER A PURCHASE ORDER OR RELEASE NUMBER (BLANKET PURCHASE ORDER NUMBERS SHOULD NOT BE USED), OR THE INVOICE, WILL BE RETURNED. INVOICES SHOULD NOT BE SENT FOR ERS PURCHASE ORDERS (PO NUMBER PREFIX "E")
4. ALL INVOICES MUST BE DATED IN MM/DD/YYYY FORMAT AND ON OFFICIAL COMPANY LETTERHEAD.
5. INVOICE ONLY AFTER COMPLETED SERVICE/SHIPMENT



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### Purchase Contract - Spot Buy

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6. ALL INVOICES MUST HAVE AN INDIVIDUAL INVOICE NUMBER UNIQUE TO THAT INVOICE.
7. INVOICE MUST MATCH THE ITEM SEQUENCE, QTY, ID./REF. #, DESCRIPTION, UNIT PRICE, UNIT OF MEASURE AS SHOWN ON THE RELEASE/PURCHASE ORDER. DO NOT INCLUDE PURCHASE ORDER QUANTITIES OR AMOUNTS ON INVOICE. INVOICE QUANTITIES, UNIT OF MEASURE, AND AMOUNTS MUST BE CONSISTENT WITH PURCHASE ORDERS OR THEY WILL BE REJECTED.
8. ALWAYS CHECK PURCHASE ORDER/RELEASE FOR SPECIAL INVOICING INSTRUCTIONS.
9. STATEMENTS MUST NOT BE SUBMITTED FOR PAYMENT.THEY ARE NOT CONSIDERED INVOICES AND ARE NOT THE BASIS FOR PAYMENT.
10. ONLY INVOICE ONE PURCHASE ORDER PER INVOICE.FOLLOWING THESE INSTRUCTIONS WILL ASSIST IN EXECUTING A SMOOTH PAYMENT PROCESS.

**\*NOTICE\***

PAYMENT AND INVOICE STATUS INFORMATION CAN BE OBTAINED IN THE "AP-REPORTING (ESAP)" APPLICATION WITHIN GM SUPPLYPOWER. INVOICES MAY BE SUBMITTED THROUGH "AP-INVOICE SUBMISSION (ESAP)" GM SUPPLYPOWER APPLICATION.

GM PAYMENT QUESTIONS CALL REQUEST TO PAY SERVICE DESK ON 888.376.6115 OR EMAIL: GMNAR2PHELP@GM.COM - PURCHASE ORDER/RELEASE NUMBER WILL BE REQUIRED TO ASSIST YOU.  
(CLAUSE IG, LAST UPDATED May 6th, 2016)

**8)SHIPPING INSTRUCTIONS (CLAUSE 3Z)**

A) CONTAINERIZATION LOGISTICS REQUESTS FOR GM CONTAINERS ORG.'S POS AND RELEASES ARE PROCESSED THROUGH CONTAINER SCHEDULING PORTAL (CSP). POS AND RELEASES TYPICALLY CONTAIN AN 8 DIGIT PROJECT ID AND/OR AHB/MAC CONTAINER DESCRIPTION. THE SUPPLIER IS RESPONSIBLE TO CONTACT THE GM REQUESTOR FOR SHIPPING INSTRUCTIONS FOR ALL CCA AND GM PLANT POS AND RELEASES.

**B) ALL OTHER COMMODITIES**

EFFECTIVE MARCH 1, 2016, WWW.GMSHIPPING.COM HAS BEEN DISCONTINUED AND A NEW THIRD PARTY PORTAL HAS BEEN ESTABLISHED TO COMMUNICATE SHIPPING INSTRUCTIONS. A NEW USER TO THE THIRD PARTY PORTAL MUST SEND THE FOLLOWING DETAILS: FULL NAME, PHONE, EMAIL AND THE COMPANY THEY WORK FOR, AND IF AVAILABLE, A GENERAL MOTORS LLC PURCHASE ORDER TO THE FOLLOWING EMAIL ADDRESS SUPPLIERID@GM.COM, AS PART OF A SCREENING PROCESS. ONCE ACCESS HAS BEEN GRANTED, THE USER WILL BE PROVIDED THEIR LOGIN CREDENTIALS AND THE URL LINK FOR ALL FURTHER THIRD PARTY PORTAL USE AND SHIPPING INSTRUCTIONS. NONCOMPLIANCE TO THE MOST CURRENT SHIPPING INSTRUCTIONS MAY RESULT IN FREIGHT CHARGES BEING DEBITED BACK TO THE SUPPLIER. THE USER IS RESPONSIBLE FOR REVIEWING THE THIRD PARTY PORTAL SITE FOR ALL PERIODIC UPDATES.

(CLAUSE 3Z - LAST UPDATE MARCH 29th, 2016)

(CLAUSE CA - LAST UPDATED May 6th, 2016)

Ship FedEx Express International Economy using GM's FedEx Account # 310593265; Bill Duties 3rd Party Account # 204849544. FedEx must be both the Carrier and the Custom Broker. GM Terms and Conditions apply.

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Incorporated by reference are the following:



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**Purchase Contract - Spot Buy**

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Statement of Work titled: 'eBike Propulsion System, Production Development', updated date: 2/23/2016

Initialed by P. Gingl, 2/26/2016: RFQ Response; Additional Purchase Order Terms & Conditions for Engineering Design & Development (Jan 2011)

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Amendment 1 incorporates by reference Statement of Work titled: 'eBike Propulsion System, Production Development with early prototype' updated date: 4/06/2016. This replaces Statement of Work titled: 'eBike Propulsion System, Production Development' updated date 2/23/2016.

=====

Amendment Reason: Per engineering and program team direction, updated quantity information required in order to move forward.

Taylor Brighi (445), 30Nov2017

**Additional terms:**

N/A

**The following attachments are incorporated by reference:**

N/A

# **APPENDIX 5**

| Seller Contact: |                                         |
|-----------------|-----------------------------------------|
| Name:           | BIONX CANADA INC                        |
| Address:        | 455 MAGNA DR<br>AURORA ON L4G 7A9<br>CA |



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## Purchase Contract - Spot Buy

Issue Date: Sep. 26, 2017

### Buyer:

General Motors of Canada Company  
1908 Colonel Sam Drive  
Oshawa ON L1H 8P7  
CA

### Seller:

BIONX CANADA INC  
455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
DUNS: 243829467

### Buyer Contact:

Name: taylor.brighi  
Purchasing Group: 445  
Tel: 586-533-7091  
Fax: N/A  
Email: taylor.brighi@gm.com

### Seller Contact:

Name: BIONX CANADA INC  
Address: 455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
Tel: 9057267830  
Fax: N/A  
Email: spatel@ridebionx.com

Upon the terms and conditions set forth in this Purchase Contract, Seller agrees to sell and Buyer agrees to purchase, the goods or services described below.

### Purchase Contract Details

Purchase Contract Number: E4300554647  
Effective Date: Sep. 26, 2017  
Expiration Date: Sep. 18, 2019  
Amendment: 0  
Payment terms: 47 Days Average with Weekly Disbursements

### Payment calculated from:

For Goods: On receipt of goods at buyers plant  
For Services: On receipt of a valid Invoice

Currency: USD  
Incoterms: FCA/Free Carrier  
Free carrier

### Ship To:

Name: GM CL HQ  
Address: 1908 Col Sam Drive  
Oshawa ON L1H 8P7  
CA  
Tel: N/A  
Fax: N/A  
Email: N/A

### Invoice Mailing Address

DO NOT SEND INVOICE - PAYMENT WILL BE BASED ON  
GOODS RECEIPT

### Requestor

Name: Keith Badgley  
Tel: +1 248508  
Email: keith.badgley@gm.com



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### Purchase Contract - Spot Buy

Purchase Contract #: E4300554647

Amendment: 0

Currency: USD

| Item  | Delivery Date | Buyer Material # | Short Description                       | Qty     | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-----------------------------------------|---------|-----------------|--------------------------------|------------------|
| 00001 | Sep. 22, 2017 | N/A              | Motor Assembly - Drive Unit, OPTA000002 | 110.000 | EA              | 6,500.00/1/EA                  | 715,000.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288312

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item  | Delivery Date | Buyer Material # | Short Description | Qty     | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-------------------|---------|-----------------|--------------------------------|------------------|
| 00002 | Sep. 22, 2017 | N/A              | Charger Assembly  | 100.000 | EA              | 30.00/1/EA                     | 3,000.00         |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288321

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item | Delivery Date | Buyer Material # | Short Description | Qty | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|------|---------------|------------------|-------------------|-----|-----------------|--------------------------------|------------------|
|------|---------------|------------------|-------------------|-----|-----------------|--------------------------------|------------------|



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### Purchase Contract - Spot Buy

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Amendment: 0

Currency: USD

|       |               |     |                                 |         |    |             |           |
|-------|---------------|-----|---------------------------------|---------|----|-------------|-----------|
| 00003 | Sep. 22, 2017 | N/A | Battery Assembly,<br>OPTA000100 | 110.000 | EA | 350.00/1/EA | 38,500.00 |
|-------|---------------|-----|---------------------------------|---------|----|-------------|-----------|

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288318

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

|             |            |
|-------------|------------|
| Total Value | 756,500.00 |
|-------------|------------|



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### Purchase Contract - Spot Buy

Purchase Contract #: E4300554647

Amendment: 0

### Delivery Schedule

| Line Item # | Delivery Schedule | Buyer Material # | Qty     | Unit of Measure | Delivery Date |
|-------------|-------------------|------------------|---------|-----------------|---------------|
| 00001       | 0001              |                  | 110.000 | EA              | Sep. 22, 2017 |
| 00002       | 0001              |                  | 100.000 | EA              | Sep. 22, 2017 |
| 00003       | 0001              |                  | 110.000 | EA              | Sep. 22, 2017 |



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## Purchase Contract - Spot Buy

Purchase Contract #: E4300554647

Amendment: 0

### General Terms and Conditions

#### 1. ACCEPTANCE:

Seller has read and understands this Contract and agrees that Seller's written acceptance or commencement of any work or services under this Contract shall constitute Seller's acceptance of these terms and conditions only.

#### 2. SHIPPING, PAYMENT AND RIGHT TO AUDIT:

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination; (b) to route shipments in accordance with Buyer's instructions; (c) to make no charge for handling, packaging, storage or transportation of goods, unless otherwise stated as an item on this contract; (d) to provide with each shipment packing slips with Buyer's contract and/or release number and date of shipment marked thereon; (e) to properly mark each package with a label/tag according to Buyer's instructions; (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Buyer's instructions and the carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the goods purchased. Seller further agrees: (a) to accept payment based upon Buyer's Evaluated Receipt Record/Self Billed Invoice, unless an invoice is requested by Buyer; and (b) to accept payment by electronic funds transfer. The payment date is set forth elsewhere in this Contract, or if not stated, shall be 47/weekly, which provides that payment shall be made on average in 47 days, with weekly disbursements, following receipt of the goods at Buyer's plant or, if directed by Buyer, receipt of a valid invoice. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this Contract. Seller grants to Buyer access to all pertinent information and materials, including, but not limited to, books, records, payroll data, receipts, correspondence parts, tools, fixtures, equipment and gages and other documents/materials of Seller, its affiliates, subsidiaries and subcontractors, for the purpose of auditing Seller's charges under this contract. Seller will preserve these documents/materials for a period of (3) three years after the final payment under this contract. Seller will segregate its records and otherwise cooperate with Buyer so as to facilitate the audit.

#### 3. DELIVERY SCHEDULES:

Time is of the essence, and deliveries shall be made both in quantities and at times specified in Buyer's schedules. Seller shall take action to electronically communicate purchasing and supply chain transactions in a secure (encrypted) manner, including but not limited to receiving Buyer's RFQs, purchase contracts and production schedules, as well as sending ASNs, quotes and proposals to Buyer. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Buyer may direct in subsequent releases.

#### 4. PREMIUM SHIPMENTS:

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall ship the goods as expeditiously as possible at Seller's sole expense.

#### 5. CHANGES:

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this contract including work with respect to such matters as inspection, testing or quality control, and Seller agrees to (a) promptly make such changes, and (b) accept any subsequently issued contracts implementing such changes. Any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and



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detail as Buyer may direct. Any changes to this Contract shall be made in accordance with Paragraph 31.

#### 6. SUPPLIER QUALITY AND DEVELOPMENT; INSPECTION:

Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time. In addition, Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this Contract. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

#### 7. NONCONFORMING, REJECTED, OBSOLETE OR SURPLUS GOODS:

Seller acknowledges that Buyer will not perform incoming inspections of the goods, and waives any rights to require Buyer to conduct such inspections. To the extent Buyer rejects goods as nonconforming, the quantities under this Contract will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new contract or schedule from Buyer. Nonconforming goods will be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the goods without liability to Seller. Payment for nonconforming goods shall not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Any goods a) determined to be nonconforming by Seller (or its suppliers), b) rejected by Buyer as nonconforming, c) that become obsolete or surplus, will be rendered unusable prior to salvage or disposal by Seller (or its suppliers). Seller will ensure that nonconforming, rejected, obsolete or surplus goods are not sold as service or replacement parts to third parties. Seller agrees to institute appropriate controls with its suppliers to ensure compliance with this section.

#### 8. FORCE MAJEURE; LABOR DISRUPTION INVENTORY:

Any delay or failure of either party to perform its obligations shall be excused if Seller is unable to produce, sell or deliver, or Buyer is unable to accept delivery, buy or use, the goods or services covered by this contract, as the result of an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than 10 days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase goods and services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or have Seller provide the goods and services from other sources in quantities and at times requested by Buyer, and at the price set forth in this contract. If requested by Buyer, Seller shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide adequate assurance that the delay will cease within 30 days, Buyer may immediately terminate this contract without liability. In addition, Seller at its expense shall take such actions as are necessary to ensure the supply of goods and services to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of Seller's labor contract(s).

#### 9. WARRANTY:

Seller warrants/guarantees that the goods covered by this contract will conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use and warrants/guarantees that all goods covered by this contract that have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use will be fit and sufficient for the particular purposes intended by Buyer. The warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers for goods installed on vehicles, such longer period shall apply.



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#### 10. INGREDIENTS DISCLOSURE; SPECIAL WARNINGS AND INSTRUCTIONS:

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

#### 11. INSOLVENCY:

Buyer may immediately terminate this contract without liability to Seller in any of the following or any other comparable events: (a) insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment or assignment is not vacated or nullified within 15 days of such event. Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the foregoing, including, but not limited to, all attorney's or other professional fees.

#### 12. TERMINATION FOR BREACH OR NONPERFORMANCE; SALE OF ASSETS OR CHANGE IN CONTROL:

Buyer reserves the right to terminate all or any part of this contract, without liability to Seller, if Seller: (a) repudiates or breaches any of the terms of this contract, including Seller's warranties; (b) fails to perform services or deliver goods as specified by Buyer; (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach. In addition, Buyer may terminate this contract upon giving at least 60 days notice to Seller, without liability to Seller, if Seller (i) sells, or offers to sell, a material portion of its assets, or (ii) sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a sufficient amount of its stock that effects a change in the control of Seller.

#### 13. TERMINATION FOR CONVENIENCE:

In addition to any other rights of Buyer to terminate this contract, Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all goods or services that have been completed in accordance with this contract and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this contract to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this contract; less, however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods that are in Seller's standard stock or that are readily marketable. Payments made under this Paragraph shall not exceed the aggregate price payable by Buyer for finished goods or services that would be produced or performed by Seller under delivery or release schedules outstanding at the date of termination. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this contract. Within 90 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller.



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### 14. INTELLECTUAL PROPERTY:

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against any claims of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services; Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification; (b) that Buyer or Buyer's subcontractor has the right to repair, reconstruct, or rebuild the specific goods delivered under this contract without payment of any royalty to Seller; (c) that parts manufactured based on Buyer's drawings and/or specifications may not be used for its own use or sold to third parties without Buyer's express written authorization; and (d) to the extent that this contract is issued for the creation of copyrightable works, the works shall be considered "works made for hire;" to the extent that the works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein.

### 15. TECHNICAL INFORMATION DISCLOSED TO BUYER:

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this contract.

### 16. INDEMNIFICATION:

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's and other professional fees) for damages to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim, or demand arising out of the sole negligence of Buyer.

### 17. INSURANCE:

Seller shall maintain insurance coverage with carriers acceptable to Buyer and in the amounts set forth in the Special Terms. Seller shall furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this contract.

### 18. SELLER'S PROPERTY:

Unless otherwise agreed to by Buyer, Seller, at its expense, shall furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the goods. The cost of changes to Seller's Property necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer. Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option shall not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

### 19. BUYER'S PROPERTY:

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly housed and maintained by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract; shall be deemed to be personalty; shall be conspicuously marked by Seller as the property of Buyer; shall not be commingled with



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the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

#### 20. SERVICE AND REPLACEMENT PARTS:

Seller will sell to Buyer goods necessary for it to fulfill its current model service and replacement parts requirements at the price(s) set forth in this contract. If the goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the 15 year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first 5 years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for goods shall be as agreed to by the parties. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

#### 21. REMEDIES:

The rights and remedies reserved to Buyer in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in Paragraph 9, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs, expenses and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods; (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims for personal injury (including death) or property damage caused by such nonconforming goods. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods.

#### 22. CUSTOMS; EXPORT CONTROLS:

Credits or benefits resulting or arising from this contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labelling requirements and local content origin requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

#### 23. SETOFF/RECOUPMENT:

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

#### 24. NO ADVERTISING OR POSTING OF GM INFORMATION:

Seller shall not, without first obtaining the written consent of Buyer, in any manner a) advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract, b) use any trademarks or trade names of Buyer in Seller's advertising or promotional materials, or c) use GM information in any form of electronic communication such as web sites (internal or external), blogs, or other types of



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postings.

### 25. COMPLIANCE WITH LAWS; EMPLOYMENT/BUSINESS PRACTICES:

Seller, and any goods or services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this contract. Seller agrees to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, and that neither it nor any of its subcontractors will directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority to obtain or retain any contract, business opportunity, or other benefit, or to influence any act or decision of that person in his/her official capacity. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

### 26. NO IMPLIED WAIVER:

The failure of either party at any time to require performance by the other party of any provision of this contract shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this contract constitute a waiver of any succeeding breach of the same or any other provision.

### 27. NON-ASSIGNMENT:

Unless otherwise specifically prohibited by applicable law, Seller may not assign or delegate its rights or obligations under this contract without Buyer's prior written consent.

### 28. RELATIONSHIP OF PARTIES:

Seller and Buyer are independent contracting parties and nothing in this contract shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

### 29. GOVERNING LAW; JURISDICTION:

This contract is to be construed according to the laws of the country (and state/province, if applicable) from which this contract is issued as shown by the address of Buyer, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over Buyer's location, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this contract is issued.

### 30. SEVERABILITY:

If any term(s) of this contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this contract shall remain in full force and effect.

### 31. ENTIRE AGREEMENT:



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This contract, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in this contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this contract and supersedes all prior oral or written representations and agreements. This contract may only be modified by a contract amendment issued by Buyer.

Revised: January 2011

### Special Terms and Conditions

SPECIAL PROVISIONS FOR GM CANADA  
(GM CANADA, CLAUSE CA)

#### SPECIAL PROVISIONS:

##### 1) SPECIAL TERM (CANADA)-INSURANCE: (UPDATED :MAY 21,2013)

FOR PURPOSES OF THIS AGREEMENT, THE INSURANCE COVERAGES REQUIRED UNDER PARAGRAPH 17 (-INSURANCE-) OF THE GENERAL TERMS AND CONDITIONS ARE AS FOLLOWS: (A) WORKERS' COMPENSATION: STATUTORY LIMITS FOR THE PROVINCE(S) IN WHICH THIS CONTRACT IS TO BE PERFORMED (OR EVIDENCE OF AUTHORITY TO SELF INSURE); (B) COMMERCIAL GENERAL LIABILITY COVERING LIABILITY ARISING FROM PREMISES, OPERATIONS, INDEPENDENT CONTRACTORS, PRODUCTS/COMPLETED OPERATIONS, PERSONAL INJURY AND ADVERTISING INJURY, AND LIABILITY ASSUMED UNDER AN INSURED CONTRACT: \$5,000,000 EACH OCCURRENCE; AND (C) AUTOMOBILE LIABILITY (INCLUDING OWNED, NON-OWNED AND HIRED VEHICLES): \$5,000,000 EACH ACCIDENT. GM SHALL BE NAME AS AN ADDITIONALLY INSURED ON ALL GENERAL LIABILITY POLICIES. 3. HAZARDOUS MATERIAL AS OF OCTOBER 31, 1988 CANADA ENACTED THE WORKPLACE HAZARDOUS INFORMATION SYSTEM (WHMIS) WHICH IS A CANADA WIDE WORKERS RIGHT-TO-KNOW LEGISLATION. SINCE ALL SUPPLIERS INCLUDING THOSE FROM OUTSIDE CANADA MUST COMPLY, THE SELLER SHALL AGREE TO CLASSIFY AND LABEL ITS PRODUCTS ACCORDING TO THE WHMIS REGULATIONS AND PROVIDE COMPLETE AND CURRENT MATERIAL SAFETY DATA SHEETS (MSDS).

##### 2) MISCELLANEOUS (OVERSHIPMENTS, SUPPLIER COMMUNICATION, SERVICE DESK)

###### OVERSHIPMENTS (CLAUSE C8-B)

SHIP EXACT QUANTITIES AS REQUESTED. OVERSHIPMENTS WILL BE RETURNED AT SELLER'S EXPENSE.  
(CLAUSE C8 - LAST UPDATED NOV. 17TH, 2011)

###### SERVICE DESK (CLAUSE HU)

THE NEW REQUEST TO PAY SERVICE DESK FOR SUPPLIERS AND GM EMPLOYEES IS AVAILABLE MONDAY # FRIDAY 8A-5P EST AT 1-888-376-6115 US/CANADA OR 662-236-3768 MEXICO AND ON-LINE AT GMNAR2PHELP@GM.COM. THIS REQUEST TO PAY SERVICE DESK CAN ANSWER QUESTIONS RELATED TO INDIRECT PURCHASING AND ACCOUNTS PAYABLE INCLUDING PAYMENT AND DISBURSEMENT ISSUES.

CLAUSE HU LAST UPDATED (MARCH 29th, 2016)

###### GM-SUPPLIER COMMUNICATION VIA GM SUPPLY POWER (SP)

GM USES GM SUPPLY POWER TO COMMUNICATE INFORMATION AND REFERENCE MATERIAL TO ITS SUPPLY BASE CONCERNING IMPORTANT PROCESSES LIKE INVOICING, PAYMENT, SHIPPING ETC. PLEASE ENSURE THAT YOUR COMPANY AND LOCAL CONTACTS ARE REGISTERED TO FULLY BENEFIT FROM THAT INFORMATION. REFER TO BELOW LINK FOR REGISTRATION INSTRUCTIONS: [HTTPS://GMSUPPLYPOWER.COVISINT.COM/WEB/PORTAL/HELP\\_AND\\_TRAINING](https://GMSUPPLYPOWER.COVISINT.COM/WEB/PORTAL/HELP_AND_TRAINING)



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ONCE REGISTERED YOU CAN ACCESS SPECIFIC GM INDIRECT/MACHINERY&EQUIPMENT PURCHASING MATERIAL VIA THE SUPPLIER COMMUNICATION PORTLET / PROCESS UPDATES /INDIRECT/M&E. (CLAUSE SP, LAST UPDATED SEPTEMBER 16TH, 2011)

#### 3) WORKERS' COMPENSATION

FOR WORK OR SERVICES PERFORMED ON BUYER'S PREMISES, WHENEVER REQUESTED BY BUYER, SELLER SHALL PROVIDE BUYER WITH EVIDENCE OF COMPLIANCE BY ITSELF AND ITS SUBCONTRACTORS WITH ALL THE REQUIREMENTS OF WORKERS' COMPENSATION LEGISLATION IN THE RELEVANT JURISDICTION INCLUDING PAYMENTS DUE THEREUNDER, BY SUBMITTING SUCH EVIDENCE TO THE BUYER.

#### 4) WITHHOLDING TAX

PAYMENTS TO NON RESIDENTS OF CANADA FOR SERVICES RENDERED IN CANADA ARE SUBJECT TO WITHHOLDING TAX AT THE RATE OF 15%. THIS WITHHOLDING TAX WILL BE DEDUCTED FROM EACH PAYMENT WITHIN 60 DAYS FOLLOWING THE CALENDAR YEAR IN WHICH THE AMOUNTS WERE WITHHELD. YOU WILL RECEIVE FROM OUR TAX DEPARTMENT A T4A-NR SLIP THAT WILL SHOW, IN CANADIAN FUNDS, THE TOTAL AMOUNT PAID BEFORE DEDUCTION OF THE WITHHOLDING TAX AND THE TOTAL TAX WITHHELD. ANY QUESTIONS OR ADDITIONAL INFORMATION ON HOW TO CLAIM BACK ANY TAX WITHHELD, PLEASE CONTACT THE CANADA REVENUE AGENCY (CRA), INTERNATIONAL TAX SERVICES OFFICE, 2204 WALKLEY RD, OTTAWA, ON K1A 1A8 OR CALL THEM AT 1-800-561-7761 EXT 9144. THEIR WEBSITE ADDRESS IS WWW.CRA-ARC-GC.CA

#### 5) AFTER-SALES SERVICE

THE SELLER AGREES THAT, TO THE EXTENT REQUESTED BY THE BUYER, SELLER OR THIRD PARTY WILL PROVIDE, OR PROVIDE FOR THE DELIVERY OF, THE FOLLOWING SERVICES EITHER AS PART OF THE WARRANTY OR SERVICES PAID OR SPECIFICALLY AGREED UPON AS PART OF AND DESCRIBED IN THIS AGREEMENT OR AS PART OF A SEPARATE AGREEMENT NEGOTIATED NOW OR HEREAFTER BY THE PARTIES AFTER-SALES SERVICING INCLUDING, BUT NOT LIMITED TO, THE SETUP, INSTALLATION, MODIFICATION, CUSTOMIZATION REPAIR, MAINTENANCE AND TRAINING AS PART OF THE WARRANTY OR AS ADDITIONAL SERVICES PROVIDED AT A COST AS SET OUT IN THIS CONTRACT, OR AT A COST TO BE NEGOTIATED. IF NECESSARY, A SEPARATE SERVICE AGREEMENT OR PURCHASE ORDER MAY BE ENTERED INTO BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO ANY OF THE AFTER-SALES SERVICES TO THE GOODS PURCHASED BY THE BUYER UNDER THIS CONTRACT.

(LAST UPDATED: MAY 24TH, 2013)

#### 6) EXPORT CONTROLS; SANCTIONS COMPLIANCE (CLAUSE E1)

SELLER AGREES TO COMPLY WITH ALL APPLICABLE EXPORT CONTROL AND SANCTIONS LAWS AND REGULATIONS OF THE UNITED STATES OF AMERICA, OF MEMBER STATES OF THE EUROPEAN UNION, AND ANY OTHER RELEVANT COUNTRY (THE "EXPORT CONTROL LAWS"). SELLER WILL NOT VIOLATE, AND WILL NOT CAUSE BUYER TO VIOLATE, ANY EXPORT CONTROL LAWS (E.G., BY TRANSSHIPPING GOODS THROUGH, OR SUPPLYING GOODS OR SERVICES FROM, SANCTIONED COUNTRIES OR REGIONS). LICENSES OR OTHER AUTHORIZATIONS REQUIRED FOR THE EXPORT OF GOODS OR SERVICES WILL BE THE RESPONSIBILITY OF SELLER UNLESS OTHERWISE INDICATED IN THIS CONTRACT, IN WHICH EVENT SELLER WILL PROVIDE SUCH INFORMATION AS MAY BE REQUESTED BY BUYER TO ENABLE BUYER TO OBTAIN SUCH LICENSES OR AUTHORIZATIONS.

(CLAUSE E1) LAST UPDATED APRIL 15TH, 2015

#### 7) INVOICING GUIDELINES (CLAUSE IG)



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1. REVIEW THE PURCHASE ORDER/RELEASE FOR ACCURACY.
2. ADDITIONS OR CHANGES MUST BE SUBMITTED IN WRITING. INVOICE ONLY AFTER YOU HAVE RECEIVED AN ALTERATION TO THE PURCHASE ORDER/RELEASE.
3. ALL INVOICES MUST CONTAIN EITHER A PURCHASE ORDER OR RELEASE NUMBER (BLANKET PURCHASE ORDER NUMBERS SHOULD NOT BE USED), OR THE INVOICE, WILL BE RETURNED. INVOICES SHOULD NOT BE SENT FOR ERS PURCHASE ORDERS (PO NUMBER PREFIX "E")
4. ALL INVOICES MUST BE DATED IN MM/DD/YYYY FORMAT AND ON OFFICIAL COMPANY LETTERHEAD.
5. INVOICE ONLY AFTER COMPLETED SERVICE/SHIPMENT
6. ALL INVOICES MUST HAVE AN INDIVIDUAL INVOICE NUMBER UNIQUE TO THAT INVOICE.
7. INVOICE MUST MATCH THE ITEM SEQUENCE, QTY, ID./REF. #, DESCRIPTION, UNIT PRICE, UNIT OF MEASURE AS SHOWN ON THE RELEASE/PURCHASE ORDER. DO NOT INCLUDE PURCHASE ORDER QUANTITIES OR AMOUNTS ON INVOICE. INVOICE QUANTITIES, UNIT OF MEASURE, AND AMOUNTS MUST BE CONSISTENT WITH PURCHASE ORDERS OR THEY WILL BE REJECTED.
8. ALWAYS CHECK PURCHASE ORDER/RELEASE FOR SPECIAL INVOICING INSTRUCTIONS.
9. STATEMENTS MUST NOT BE SUBMITTED FOR PAYMENT. THEY ARE NOT CONSIDERED INVOICES AND ARE NOT THE BASIS FOR PAYMENT.
10. ONLY INVOICE ONE PURCHASE ORDER PER INVOICE. FOLLOWING THESE INSTRUCTIONS WILL ASSIST IN EXECUTING A SMOOTH PAYMENT PROCESS.

**\*NOTICE\***

PAYMENT AND INVOICE STATUS INFORMATION CAN BE OBTAINED IN THE "AP-REPORTING (ESAP)" APPLICATION WITHIN GM SUPPLYPOWER. INVOICES MAY BE SUBMITTED THROUGH "AP-INVOICE SUBMISSION (ESAP)" GM SUPPLYPOWER APPLICATION.

GM PAYMENT QUESTIONS CALL REQUEST TO PAY SERVICE DESK ON 888.376.6115 OR EMAIL: GMNAR2PHELP@GM.COM - PURCHASE ORDER/RELEASE NUMBER WILL BE REQUIRED TO ASSIST YOU.  
(CLAUSE IG, LAST UPDATED May 6th, 2016)

**8)SHIPPING INSTRUCTIONS (CLAUSE 3Z)**

A) CONTAINERIZATION LOGISTICS REQUESTS FOR GM CONTAINERS ORG.'S POS AND RELEASES ARE PROCESSED THROUGH CONTAINER SCHEDULING PORTAL (CSP). POS AND RELEASES TYPICALLY CONTAIN AN 8 DIGIT PROJECT ID AND/OR AHB/MAC CONTAINER DESCRIPTION. THE SUPPLIER IS RESPONSIBLE TO CONTACT THE GM REQUESTOR FOR SHIPPING INSTRUCTIONS FOR ALL CCA AND GM PLANT POS AND RELEASES.

**B) ALL OTHER COMMODITIES**

EFFECTIVE MARCH 1, 2016, WWW.GMSHIPPING.COM HAS BEEN DISCONTINUED AND A NEW THIRD PARTY PORTAL HAS BEEN ESTABLISHED TO COMMUNICATE SHIPPING INSTRUCTIONS. A NEW USER TO THE THIRD PARTY PORTAL MUST SEND THE FOLLOWING DETAILS: FULL NAME, PHONE, EMAIL AND THE COMPANY THEY WORK FOR, AND IF AVAILABLE, A GENERAL MOTORS LLC PURCHASE ORDER TO THE FOLLOWING EMAIL ADDRESS SUPPLIERID@GM.COM, AS PART OF A SCREENING PROCESS. ONCE ACCESS HAS BEEN GRANTED, THE USER WILL BE PROVIDED THEIR LOGIN CREDENTIALS AND THE URL LINK FOR ALL FURTHER THIRD PARTY PORTAL USE AND SHIPPING INSTRUCTIONS. NONCOMPLIANCE TO THE MOST CURRENT SHIPPING INSTRUCTIONS MAY RESULT IN FREIGHT CHARGES BEING DEBITED BACK TO THE SUPPLIER. THE USER IS RESPONSIBLE FOR REVIEWING THE THIRD PARTY PORTAL SITE FOR ALL PERIODIC UPDATES.

(CLAUSE 3Z - LAST UPDATE MARCH 29th, 2016)



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**General Motors of Canada Company**

**Purchase Contract - Spot Buy**

**Purchase Contract #:** E4300554647

**Amendment:** 0

(CLAUSE CA - LAST UPDATED May 6th, 2016)

Ship FedEx Express International Economy using GM's FedEx Account # 310593265; Bill Duties 3rd Party Account # 204849544. FedEx must be both the Carrier and the Custom Broker. GM Terms and Conditions apply.

Dated, 9/26/17

**Additional terms:**

N/A

**The following attachments are incorporated by reference:**

N/A

# **APPENDIX 6**

**Seller Contact:**

**Name:** BIONX CANADA INC

**Address:** 455 MAGNA DR  
AURORA ON L4G 7A9  
CA



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## Purchase Contract - Spot Buy

Issue Date: Sep. 22, 2017

### Buyer:

General Motors of Canada Company  
1908 Colonel Sam Drive  
Oshawa ON L1H 8P7  
CA

### Seller:

BIONX CANADA INC  
455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
DUNS: 243829467

### Buyer Contact:

Name: taylor.brighi  
Purchasing Group: 445  
Tel: 586-533-7091  
Fax: N/A  
Email: taylor.brighi@gm.com

### Seller Contact:

Name: BIONX CANADA INC  
Address: 455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
Tel: 9057267830  
Fax: N/A  
Email: spatel@ridebionx.com

Upon the terms and conditions set forth in this Purchase Contract, Seller agrees to sell and Buyer agrees to purchase, the goods or services described below.

### Purchase Contract Details

Purchase Contract Number: E4300557102  
Effective Date: Sep. 22, 2017  
Expiration Date: Sep. 21, 2019  
Amendment: 0  
Payment terms: 47 Days Average with Weekly Disbursements

### Payment calculated from:

For Goods: On receipt of goods at buyers plant  
For Services: On receipt of a valid Invoice

Currency: USD  
Incoterms: DAP/Delivered at Place  
Delivered at Place

### Ship To:

Name: GM CL HQ  
Address: 1908 Col Sam Drive  
Oshawa ON L1H 8P7  
CA  
Tel: N/A  
Fax: N/A  
Email: N/A

### Invoice Mailing Address

DO NOT SEND INVOICE - PAYMENT WILL BE BASED ON  
GOODS RECEIPT

### Requestor

Name: Christopher Gibson  
Tel: +1 248 321  
Email: chris.gibson@gm.com



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### Purchase Contract - Spot Buy

Purchase Contract #: E4300557102

Amendment: 0

Currency: USD

| Item  | Delivery Date | Buyer Material # | Short Description                       | Qty      | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-----------------------------------------|----------|-----------------|--------------------------------|------------------|
| 00001 | Dec. 31, 2018 | N/A              | Motor Assembly - Drive Unit, OPTA000002 | 8000.000 | EA              | 775.50/1/EA                    | 6,204,000.00     |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288312

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item  | Delivery Date | Buyer Material # | Short Description | Qty      | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|-------|---------------|------------------|-------------------|----------|-----------------|--------------------------------|------------------|
| 00002 | Dec. 31, 2018 | N/A              | Charger Assembly  | 8000.000 | EA              | 28.50/1/EA                     | 228,000.00       |

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288321

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

| Item | Delivery Date | Buyer Material # | Short Description | Qty | Unit of Measure | Unit Price/Per/Unit of Measure | Total Item Value |
|------|---------------|------------------|-------------------|-----|-----------------|--------------------------------|------------------|
|------|---------------|------------------|-------------------|-----|-----------------|--------------------------------|------------------|



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### Purchase Contract - Spot Buy

Purchase Contract #: E4300557102

Amendment: 0

Currency: USD

|       |               |     |                                 |          |    |             |              |
|-------|---------------|-----|---------------------------------|----------|----|-------------|--------------|
| 00003 | Dec. 31, 2018 | N/A | Battery Assembly,<br>OPTA000100 | 8000.000 | EA | 178.00/1/EA | 1,424,000.00 |
|-------|---------------|-----|---------------------------------|----------|----|-------------|--------------|

Long Description: N/A

Manufacturer Name: N/A

Manufacturer Part Nr: 24288318

Ship To:

Name: GM CL HQ

Address: 1908 Col Sam Drive Oshawa ON L1H 8P7 CA

Tel: N/A

Fax: N/A

Email: N/A

Storage Location at Buyer's facility: N/A

Applicable Taxes: HST

See Attached Delivery Schedule

|             |              |
|-------------|--------------|
| Total Value | 7,856,000.00 |
|-------------|--------------|



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### Purchase Contract - Spot Buy

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Amendment: 0

### Delivery Schedule

| Line Item # | Delivery Schedule | Buyer Material # | Qty       | Unit of Measure | Delivery Date |
|-------------|-------------------|------------------|-----------|-----------------|---------------|
| 00001       | 0001              |                  | 8,000.000 | EA              | Dec. 31, 2018 |
| 00002       | 0001              |                  | 8,000.000 | EA              | Dec. 31, 2018 |
| 00003       | 0001              |                  | 8,000.000 | EA              | Dec. 31, 2018 |



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## Purchase Contract - Spot Buy

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### General Terms and Conditions

#### 1. ACCEPTANCE:

Seller has read and understands this Contract and agrees that Seller's written acceptance or commencement of any work or services under this Contract shall constitute Seller's acceptance of these terms and conditions only.

#### 2. SHIPPING, PAYMENT AND RIGHT TO AUDIT:

Seller agrees: (a) to properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and, if applicable, the country of destination; (b) to route shipments in accordance with Buyer's instructions; (c) to make no charge for handling, packaging, storage or transportation of goods, unless otherwise stated as an item on this contract; (d) to provide with each shipment packing slips with Buyer's contract and/or release number and date of shipment marked thereon; (e) to properly mark each package with a label/tag according to Buyer's instructions; (f) to promptly forward the original bill of lading or other shipping receipt for each shipment in accordance with Buyer's instructions. Seller will include on bills of lading or other shipping receipts correct classification identification of the goods shipped in accordance with Buyer's instructions and the carrier's requirements. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) shall be sufficient to enable Buyer to easily identify the goods purchased. Seller further agrees: (a) to accept payment based upon Buyer's Evaluated Receipt Record/Self Billed Invoice, unless an invoice is requested by Buyer; and (b) to accept payment by electronic funds transfer. The payment date is set forth elsewhere in this Contract, or if not stated, shall be 47/weekly, which provides that payment shall be made on average in 47 days, with weekly disbursements, following receipt of the goods at Buyer's plant or, if directed by Buyer, receipt of a valid invoice. Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, of the absence of any liens, encumbrances and claims on the goods or services under this Contract. Seller grants to Buyer access to all pertinent information and materials, including, but not limited to, books, records, payroll data, receipts, correspondence parts, tools, fixtures, equipment and gages and other documents/materials of Seller, its affiliates, subsidiaries and subcontractors, for the purpose of auditing Seller's charges under this contract. Seller will preserve these documents/materials for a period of (3) three years after the final payment under this contract. Seller will segregate its records and otherwise cooperate with Buyer so as to facilitate the audit.

#### 3. DELIVERY SCHEDULES:

Time is of the essence, and deliveries shall be made both in quantities and at times specified in Buyer's schedules. Seller shall take action to electronically communicate purchasing and supply chain transactions in a secure (encrypted) manner, including but not limited to receiving Buyer's RFQs, purchase contracts and production schedules, as well as sending ASNs, quotes and proposals to Buyer. Buyer shall not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments or direct temporary suspension of scheduled shipments, neither of which shall entitle Seller to a modification of the price for goods or services covered by this contract. Where quantities and/or delivery schedules are not specified, Seller shall deliver goods in such quantities and times as Buyer may direct in subsequent releases.

#### 4. PREMIUM SHIPMENTS:

If Seller's acts or omissions result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller shall ship the goods as expeditiously as possible at Seller's sole expense.

#### 5. CHANGES:

Buyer reserves the right at any time to direct changes, or cause Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this contract including work with respect to such matters as inspection, testing or quality control, and Seller agrees to (a) promptly make such changes, and (b) accept any subsequently issued contracts implementing such changes. Any difference in price or time for performance resulting from such changes shall be equitably adjusted by Buyer after receipt of documentation in such form and



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detail as Buyer may direct. Any changes to this Contract shall be made in accordance with Paragraph 31.

### 6. SUPPLIER QUALITY AND DEVELOPMENT; INSPECTION:

Seller agrees to participate in Buyer's supplier quality and development program(s) and to comply with all quality requirements and procedures specified by Buyer, as revised from time to time. In addition, Buyer shall have the right to enter Seller's facility at reasonable times to inspect the facility, goods, materials and any property of Buyer covered by this Contract. Buyer's inspection of the goods, whether during manufacture, prior to delivery or within a reasonable time after delivery, shall not constitute acceptance of any work-in-process or finished goods.

### 7. NONCONFORMING, REJECTED, OBSOLETE OR SURPLUS GOODS:

Seller acknowledges that Buyer will not perform incoming inspections of the goods, and waives any rights to require Buyer to conduct such inspections. To the extent Buyer rejects goods as nonconforming, the quantities under this Contract will automatically be reduced unless Buyer otherwise notifies Seller. Seller will not replace quantities so reduced without a new contract or schedule from Buyer. Nonconforming goods will be held by Buyer in accordance with Seller's instructions at Seller's risk. Seller's failure to provide written instructions within 10 days, or such shorter period as may be commercially reasonable under the circumstances, after notice of nonconformity shall entitle Buyer, at Buyer's option, to charge Seller for storage and handling or to dispose of the goods without liability to Seller. Payment for nonconforming goods shall not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Any goods a) determined to be nonconforming by Seller (or its suppliers), b) rejected by Buyer as nonconforming, c) that become obsolete or surplus, will be rendered unusable prior to salvage or disposal by Seller (or its suppliers). Seller will ensure that nonconforming, rejected, obsolete or surplus goods are not sold as service or replacement parts to third parties. Seller agrees to institute appropriate controls with its suppliers to ensure compliance with this section.

### 8. FORCE MAJEURE; LABOR DISRUPTION INVENTORY:

Any delay or failure of either party to perform its obligations shall be excused if Seller is unable to produce, sell or deliver, or Buyer is unable to accept delivery, buy or use, the goods or services covered by this contract, as the result of an event or occurrence beyond the reasonable control of the party and without its fault or negligence, including, but not limited to, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain power, material, labor equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party as soon as possible after the event or occurrence (but in no event more than 10 days thereafter). During the period of such delay or failure to perform by Seller, Buyer, at its option, may purchase goods and services from other sources and reduce its schedules to Seller by such quantities, without liability to Seller, or have Seller provide the goods and services from other sources in quantities and at times requested by Buyer, and at the price set forth in this contract. If requested by Buyer, Seller shall, within 10 days, provide adequate assurances that the delay shall not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide adequate assurance that the delay will cease within 30 days, Buyer may immediately terminate this contract without liability. In addition, Seller at its expense shall take such actions as are necessary to ensure the supply of goods and services to Buyer for a period of at least 30 days during any anticipated labor disruption or resulting from the expiration of Seller's labor contract(s).

### 9. WARRANTY:

Seller warrants/guarantees that the goods covered by this contract will conform to the specifications, drawings, samples, or descriptions furnished to or by Buyer, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use and warrants/guarantees that all goods covered by this contract that have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use will be fit and sufficient for the particular purposes intended by Buyer. The warranty period shall be that provided by applicable law, except that if Buyer offers a longer warranty to its customers for goods installed on vehicles, such longer period shall apply.



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### 10. INGREDIENTS DISCLOSURE; SPECIAL WARNINGS AND INSTRUCTIONS:

If requested by Buyer, Seller shall promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients in the goods; (b) the amount of all ingredients; and (c) information concerning any changes in or additions to such ingredients. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient warning and notice in writing (including appropriate labels on the goods, containers and packing) of any hazardous material that is an ingredient or a part of any of the goods, together with such special handling instructions as may be necessary to advise carriers, Buyer, and their respective employees of how to exercise that measure of care and precaution that will best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer.

### 11. INSOLVENCY:

Buyer may immediately terminate this contract without liability to Seller in any of the following or any other comparable events: (a) insolvency of Seller; (b) filing of a voluntary petition in bankruptcy by Seller; (c) filing of any involuntary petition in bankruptcy against Seller; (d) appointment of a receiver or trustee for Seller; or (e) execution of an assignment for the benefit of creditors by Seller, provided that such petition, appointment or assignment is not vacated or nullified within 15 days of such event. Seller shall reimburse Buyer for all costs incurred by Buyer in connection with any of the foregoing, including, but not limited to, all attorney's or other professional fees.

### 12. TERMINATION FOR BREACH OR NONPERFORMANCE; SALE OF ASSETS OR CHANGE IN CONTROL:

Buyer reserves the right to terminate all or any part of this contract, without liability to Seller, if Seller: (a) repudiates or breaches any of the terms of this contract, including Seller's warranties; (b) fails to perform services or deliver goods as specified by Buyer; (c) fails to make progress so as to endanger timely and proper completion of services or delivery of goods; and does not correct such failure or breach within 10 days (or such shorter period of time if commercially reasonable under the circumstances) after receipt of written notice from Buyer specifying such failure or breach. In addition, Buyer may terminate this contract upon giving at least 60 days notice to Seller, without liability to Seller, if Seller (i) sells, or offers to sell, a material portion of its assets, or (ii) sells or exchanges, or offers to sell or exchange, or causes to be sold or exchanged, a sufficient amount of its stock that effects a change in the control of Seller.

### 13. TERMINATION FOR CONVENIENCE:

In addition to any other rights of Buyer to terminate this contract, Buyer may, at its option, immediately terminate all or any part of this contract, at any time and for any reason, by giving written notice to Seller. Upon such termination, Buyer shall pay to Seller the following amounts without duplication: (a) the contract price for all goods or services that have been completed in accordance with this contract and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this contract to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this contract; less, however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent, and the cost of any damaged or destroyed goods or material. Buyer will make no payments for finished goods, services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in delivery releases nor for any undelivered goods that are in Seller's standard stock or that are readily marketable. Payments made under this Paragraph shall not exceed the aggregate price payable by Buyer for finished goods or services that would be produced or performed by Seller under delivery or release schedules outstanding at the date of termination. Except as provided in this Paragraph, Buyer shall not be liable for and shall not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, unabsorbed overhead, interest on claims, product development and engineering costs, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this contract. Within 90 days from the effective date of termination, Seller shall submit a comprehensive termination claim to Buyer, with sufficient supporting data to permit Buyer's audit, and shall thereafter promptly furnish such supplemental and supporting information as Buyer shall request. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any termination claim of Seller.



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### 14. INTELLECTUAL PROPERTY:

Seller agrees: (a) to defend, hold harmless and indemnify Buyer, its successors and customers against any claims of infringement (including patent, trademark, copyright, industrial design right, or other proprietary right, or misuse or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services; Seller expressly waives any claim against Buyer that such infringement arose out of compliance with Buyer's specification; (b) that Buyer or Buyer's subcontractor has the right to repair, reconstruct, or rebuild the specific goods delivered under this contract without payment of any royalty to Seller; (c) that parts manufactured based on Buyer's drawings and/or specifications may not be used for its own use or sold to third parties without Buyer's express written authorization; and (d) to the extent that this contract is issued for the creation of copyrightable works, the works shall be considered "works made for hire;" to the extent that the works do not qualify as "works made for hire," Seller hereby assigns to Buyer all right, title and interest in all copyrights and moral rights therein.

### 15. TECHNICAL INFORMATION DISCLOSED TO BUYER:

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical information that Seller shall have disclosed or may hereafter disclose to Buyer in connection with the goods or services covered by this contract.

### 16. INDEMNIFICATION:

If Seller performs any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller shall indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including attorney's and other professional fees) for damages to the property of or injuries (including death) to Buyer, its employees or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim, or demand arising out of the sole negligence of Buyer.

### 17. INSURANCE:

Seller shall maintain insurance coverage with carriers acceptable to Buyer and in the amounts set forth in the Special Terms. Seller shall furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days' prior written notice from the insurer of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance shall not release Seller of its obligations or liabilities under this contract.

### 18. SELLER'S PROPERTY:

Unless otherwise agreed to by Buyer, Seller, at its expense, shall furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the goods. The cost of changes to Seller's Property necessary to make design and specification changes authorized by Buyer shall be paid for by Buyer. Seller shall insure Seller's Property with full fire and extended coverage insurance for its replacement value. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is special for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items; provided, however, that this option shall not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others.

### 19. BUYER'S PROPERTY:

All supplies, materials, tools, jigs, dies, gauges, fixtures, molds, patterns, equipment and other items furnished by Buyer, either directly or indirectly, to Seller to perform this contract, or for which Seller has been reimbursed by Buyer, shall be and remain the property of Buyer and held by Seller on a bailment basis ("Buyer's Property"). Seller shall bear the risk of loss of and damage to Buyer's Property. Buyer's Property shall at all times be properly housed and maintained by Seller, at its expense, shall not be used by Seller for any purpose other than the performance of this contract; shall be deemed to be personalty; shall be conspicuously marked by Seller as the property of Buyer; shall not be commingled with



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the property of Seller or with that of a third person; and shall not be moved from Seller's premises without Buyer's prior written approval. Buyer shall have the right to enter Seller's premises at all reasonable times to inspect such property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property shall be immediately released to Buyer or delivered to Buyer by Seller, either (i) F.O.B. transport equipment at Seller's plant, properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer shall pay to Seller the reasonable costs of delivering such property to such location. When permitted by law, Seller waives any lien or other rights that Seller might otherwise have on any of Buyer's Property for work performed on such property or otherwise.

### 20. SERVICE AND REPLACEMENT PARTS:

Seller will sell to Buyer goods necessary for it to fulfill its current model service and replacement parts requirements at the price(s) set forth in this contract. If the goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that shall not, in the aggregate, exceed the price of the system or module less assembly costs. During the 15 year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first 5 years of this period shall be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for goods shall be as agreed to by the parties. When requested by Buyer, Seller shall make service literature and other materials available at no additional charge to support Buyer's service part sales activities.

### 21. REMEDIES:

The rights and remedies reserved to Buyer in this contract shall be cumulative with, and additional to, all other or further remedies provided in law or equity. Without limiting the foregoing, should any goods fail to conform to the warranties set forth in Paragraph 9, Buyer shall notify Seller and Seller shall, if requested by Buyer, reimburse Buyer for any incidental and consequential damages caused by such nonconforming goods, including, but not limited to, costs, expenses and losses incurred by Buyer (a) in inspecting, sorting, repairing or replacing such nonconforming goods; (b) resulting from production interruptions, (c) conducting recall campaigns or other corrective service actions, and (d) claims for personal injury (including death) or property damage caused by such nonconforming goods. If requested by Buyer, Seller will enter into a separate agreement for the administration or processing of warranty chargebacks for nonconforming goods.

### 22. CUSTOMS; EXPORT CONTROLS:

Credits or benefits resulting or arising from this contract, including trade credits, export credits or the refund of duties, taxes or fees, shall belong to Buyer. Seller shall provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its customs related obligations, origin marking or labelling requirements and local content origin requirements, if any. Export licenses or authorizations necessary for the export of the goods shall be the responsibility of Seller unless otherwise indicated in this contract, in which event Seller shall provide such information as may be necessary to enable Buyer to obtain such licenses or authorization(s). Seller shall undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import.

### 23. SETOFF/RECOUPMENT:

In addition to any right of setoff or recoupment provided by law, all amounts due to Seller shall be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer shall have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

### 24. NO ADVERTISING OR POSTING OF GM INFORMATION:

Seller shall not, without first obtaining the written consent of Buyer, in any manner a) advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this contract, b) use any trademarks or trade names of Buyer in Seller's advertising or promotional materials, or c) use GM information in any form of electronic communication such as web sites (internal or external), blogs, or other types of



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postings.

### 25. COMPLIANCE WITH LAWS; EMPLOYMENT/BUSINESS PRACTICES:

Seller, and any goods or services supplied by Seller, shall comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, but not limited to, those relating to environmental matters, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this contract. Seller agrees to comply with all applicable anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, and that neither it nor any of its subcontractors will directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority to obtain or retain any contract, business opportunity, or other benefit, or to influence any act or decision of that person in his/her official capacity. At Buyer's request, Seller shall certify in writing its compliance with the foregoing. Seller shall indemnify and hold Buyer harmless from and against any liability claims, demands or expenses (including attorney's or other professional fees) arising from or relating to Seller's noncompliance.

### 26. NO IMPLIED WAIVER:

The failure of either party at any time to require performance by the other party of any provision of this contract shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver of either party of a breach of any provision of this contract constitute a waiver of any succeeding breach of the same or any other provision.

### 27. NON-ASSIGNMENT:

Unless otherwise specifically prohibited by applicable law, Seller may not assign or delegate its rights or obligations under this contract without Buyer's prior written consent.

### 28. RELATIONSHIP OF PARTIES:

Seller and Buyer are independent contracting parties and nothing in this contract shall make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

### 29. GOVERNING LAW; JURISDICTION:

This contract is to be construed according to the laws of the country (and state/province, if applicable) from which this contract is issued as shown by the address of Buyer, excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods and any conflict of law provisions that would require application of another choice of law. Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over Buyer's location, in which event Seller consents to jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over the location of Buyer from which this contract is issued.

### 30. SEVERABILITY:

If any term(s) of this contract is invalid or unenforceable under any statute, regulation, ordinance, executive order or other rule of law, such term(s) shall be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such statute, regulation, ordinance, order or rule, and the remaining provisions of this contract shall remain in full force and effect.

### 31. ENTIRE AGREEMENT:



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This contract, together with the attachments, exhibits, supplements or other terms of Buyer specifically referenced in this contract, constitutes the entire agreement between Seller and Buyer with respect to the matters contained in this contract and supersedes all prior oral or written representations and agreements. This contract may only be modified by a contract amendment issued by Buyer.

Revised: January 2011

#### Special Terms and Conditions

SPECIAL PROVISIONS FOR GM CANADA  
(GM CANADA, CLAUSE CA)

#### SPECIAL PROVISIONS:

##### 1) SPECIAL TERM (CANADA)-INSURANCE: (UPDATED :MAY 21,2013)

FOR PURPOSES OF THIS AGREEMENT, THE INSURANCE COVERAGES REQUIRED UNDER PARAGRAPH 17 (-INSURANCE-) OF THE GENERAL TERMS AND CONDITIONS ARE AS FOLLOWS: (A) WORKERS' COMPENSATION: STATUTORY LIMITS FOR THE PROVINCE(S) IN WHICH THIS CONTRACT IS TO BE PERFORMED (OR EVIDENCE OF AUTHORITY TO SELF INSURE); (B) COMMERCIAL GENERAL LIABILITY COVERING LIABILITY ARISING FROM PREMISES, OPERATIONS, INDEPENDENT CONTRACTORS, PRODUCTS/COMPLETED OPERATIONS, PERSONAL INJURY AND ADVERTISING INJURY, AND LIABILITY ASSUMED UNDER AN INSURED CONTRACT: \$5,000,000 EACH OCCURRENCE; AND (C) AUTOMOBILE LIABILITY (INCLUDING OWNED, NON-OWNED AND HIRED VEHICLES): \$5,000,000 EACH ACCIDENT. GM SHALL BE NAME AS AN ADDITIONALLY INSURED ON ALL GENERAL LIABILITY POLICIES. 3. HAZARDOUS MATERIAL AS OF OCTOBER 31, 1988 CANADA ENACTED THE WORKPLACE HAZARDOUS INFORMATION SYSTEM (WHMIS) WHICH IS A CANADA WIDE WORKERS RIGHT-TO-KNOW LEGISLATION. SINCE ALL SUPPLIERS INCLUDING THOSE FROM OUTSIDE CANADA MUST COMPLY, THE SELLER SHALL AGREE TO CLASSIFY AND LABEL ITS PRODUCTS ACCORDING TO THE WHMIS REGULATIONS AND PROVIDE COMPLETE AND CURRENT MATERIAL SAFETY DATA SHEETS (MSDS).

##### 2) MISCELLANEOUS (OVERSHIPMENTS, SUPPLIER COMMUNICATION, SERVICE DESK) OVERSHIPMENTS (CLAUSE C8-B)

SHIP EXACT QUANTITIES AS REQUESTED. OVERSHIPMENTS WILL BE RETURNED AT SELLER'S EXPENSE.  
(CLAUSE C8 - LAST UPDATED NOV. 17TH, 2011)

##### SERVICE DESK (CLAUSE HU)

THE NEW REQUEST TO PAY SERVICE DESK FOR SUPPLIERS AND GM EMPLOYEES IS AVAILABLE MONDAY # FRIDAY 8A-5P EST AT 1-888-376-6115 US/CANADA OR 662-236-3768 MEXICO AND ON-LINE AT GMNAR2PHELP@GM.COM. THIS REQUEST TO PAY SERVICE DESK CAN ANSWER QUESTIONS RELATED TO INDIRECT PURCHASING AND ACCOUNTS PAYABLE INCLUDING PAYMENT AND DISBURSEMENT ISSUES.

CLAUSE HU LAST UPDATED (MARCH 29th, 2016)

##### GM-SUPPLIER COMMUNICATION VIA GM SUPPLY POWER (SP)

GM USES GM SUPPLY POWER TO COMMUNICATE INFORMATION AND REFERENCE MATERIAL TO ITS SUPPLY BASE CONCERNING IMPORTANT PROCESSES LIKE INVOICING, PAYMENT, SHIPPING ETC. PLEASE ENSURE THAT YOUR COMPANY AND LOCAL CONTACTS ARE REGISTERED TO FULLY BENEFIT FROM THAT INFORMATION. REFER TO BELOW LINK FOR REGISTRATION INSTRUCTIONS: [HTTPS://GMSUPPLYPOWER.COVISINT.COM/WEB/PORTAL/HELP\\_AND\\_TRAINING](https://gmsupplypower.covisint.com/web/portal/help_and_training)



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ONCE REGISTERED YOU CAN ACCESS SPECIFIC GM INDIRECT/MACHINERY&EQUIPMENT PURCHASING MATERIAL VIA THE SUPPLIER COMMUNICATION PORTLET / PROCESS UPDATES /INDIRECT/M&E. (CLAUSE SP, LAST UPDATED SEPTEMBER 16TH, 2011)

#### 3) WORKERS' COMPENSATION

FOR WORK OR SERVICES PERFORMED ON BUYER'S PREMISES, WHENEVER REQUESTED BY BUYER, SELLER SHALL PROVIDE BUYER WITH EVIDENCE OF COMPLIANCE BY ITSELF AND ITS SUBCONTRACTORS WITH ALL THE REQUIREMENTS OF WORKERS' COMPENSATION LEGISLATION IN THE RELEVANT JURISDICTION INCLUDING PAYMENTS DUE THEREUNDER, BY SUBMITTING SUCH EVIDENCE TO THE BUYER.

#### 4) WITHHOLDING TAX

PAYMENTS TO NON RESIDENTS OF CANADA FOR SERVICES RENDERED IN CANADA ARE SUBJECT TO WITHHOLDING TAX AT THE RATE OF 15%. THIS WITHHOLDING TAX WILL BE DEDUCTED FROM EACH PAYMENT WITHIN 60 DAYS FOLLOWING THE CALENDAR YEAR IN WHICH THE AMOUNTS WERE WITHHELD. YOU WILL RECEIVE FROM OUR TAX DEPARTMENT A T4A-NR SLIP THAT WILL SHOW, IN CANADIAN FUNDS, THE TOTAL AMOUNT PAID BEFORE DEDUCTION OF THE WITHHOLDING TAX AND THE TOTAL TAX WITHHELD. ANY QUESTIONS OR ADDITIONAL INFORMATION ON HOW TO CLAIM BACK ANY TAX WITHHELD, PLEASE CONTACT THE CANADA REVENUE AGENCY (CRA), INTERNATIONAL TAX SERVICES OFFICE, 2204 WALKLEY RD, OTTAWA, ON K1A 1A8 OR CALL THEM AT 1-800-561-7761 EXT 9144. THEIR WEBSITE ADDRESS IS WWW.CRA-ARC-GC.CA

#### 5) AFTER-SALES SERVICE

THE SELLER AGREES THAT, TO THE EXTENT REQUESTED BY THE BUYER, SELLER OR THIRD PARTY WILL PROVIDE, OR PROVIDE FOR THE DELIVERY OF, THE FOLLOWING SERVICES EITHER AS PART OF THE WARRANTY OR SERVICES PAID OR SPECIFICALLY AGREED UPON AS PART OF AND DESCRIBED IN THIS AGREEMENT OR AS PART OF A SEPARATE AGREEMENT NEGOTIATED NOW OR HEREAFTER BY THE PARTIES AFTER-SALES SERVICING INCLUDING, BUT NOT LIMITED TO, THE SETUP, INSTALLATION, MODIFICATION, CUSTOMIZATION REPAIR, MAINTENANCE AND TRAINING AS PART OF THE WARRANTY OR AS ADDITIONAL SERVICES PROVIDED AT A COST AS SET OUT IN THIS CONTRACT, OR AT A COST TO BE NEGOTIATED. IF NECESSARY, A SEPARATE SERVICE AGREEMENT OR PURCHASE ORDER MAY BE ENTERED INTO BETWEEN THE SELLER AND THE BUYER WITH RESPECT TO ANY OF THE AFTER-SALES SERVICES TO THE GOODS PURCHASED BY THE BUYER UNDER THIS CONTRACT.

(LAST UPDATED: MAY 24TH, 2013)

#### 6) EXPORT CONTROLS; SANCTIONS COMPLIANCE (CLAUSE E1)

SELLER AGREES TO COMPLY WITH ALL APPLICABLE EXPORT CONTROL AND SANCTIONS LAWS AND REGULATIONS OF THE UNITED STATES OF AMERICA, OF MEMBER STATES OF THE EUROPEAN UNION, AND ANY OTHER RELEVANT COUNTRY (THE "EXPORT CONTROL LAWS"). SELLER WILL NOT VIOLATE, AND WILL NOT CAUSE BUYER TO VIOLATE, ANY EXPORT CONTROL LAWS (E.G., BY TRANSSHIPPING GOODS THROUGH, OR SUPPLYING GOODS OR SERVICES FROM, SANCTIONED COUNTRIES OR REGIONS). LICENSES OR OTHER AUTHORIZATIONS REQUIRED FOR THE EXPORT OF GOODS OR SERVICES WILL BE THE RESPONSIBILITY OF SELLER UNLESS OTHERWISE INDICATED IN THIS CONTRACT, IN WHICH EVENT SELLER WILL PROVIDE SUCH INFORMATION AS MAY BE REQUESTED BY BUYER TO ENABLE BUYER TO OBTAIN SUCH LICENSES OR AUTHORIZATIONS.

(CLAUSE E1) LAST UPDATED APRIL 15TH, 2015

#### 7) INVOICING GUIDELINES (CLAUSE IG)



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1. REVIEW THE PURCHASE ORDER/RELEASE FOR ACCURACY.
2. ADDITIONS OR CHANGES MUST BE SUBMITTED IN WRITING. INVOICE ONLY AFTER YOU HAVE RECEIVED AN ALTERATION TO THE PURCHASE ORDER/RELEASE.
3. ALL INVOICES MUST CONTAIN EITHER A PURCHASE ORDER OR RELEASE NUMBER (BLANKET PURCHASE ORDER NUMBERS SHOULD NOT BE USED), OR THE INVOICE, WILL BE RETURNED. INVOICES SHOULD NOT BE SENT FOR ERS PURCHASE ORDERS (PO NUMBER PREFIX "E")
4. ALL INVOICES MUST BE DATED IN MM/DD/YYYY FORMAT AND ON OFFICIAL COMPANY LETTERHEAD.
5. INVOICE ONLY AFTER COMPLETED SERVICE/SHIPMENT
6. ALL INVOICES MUST HAVE AN INDIVIDUAL INVOICE NUMBER UNIQUE TO THAT INVOICE.
7. INVOICE MUST MATCH THE ITEM SEQUENCE, QTY, ID./REF. #, DESCRIPTION, UNIT PRICE, UNIT OF MEASURE AS SHOWN ON THE RELEASE/PURCHASE ORDER. DO NOT INCLUDE PURCHASE ORDER QUANTITIES OR AMOUNTS ON INVOICE. INVOICE QUANTITIES, UNIT OF MEASURE, AND AMOUNTS MUST BE CONSISTENT WITH PURCHASE ORDERS OR THEY WILL BE REJECTED.
8. ALWAYS CHECK PURCHASE ORDER/RELEASE FOR SPECIAL INVOICING INSTRUCTIONS.
9. STATEMENTS MUST NOT BE SUBMITTED FOR PAYMENT.THEY ARE NOT CONSIDERED INVOICES AND ARE NOT THE BASIS FOR PAYMENT.
10. ONLY INVOICE ONE PURCHASE ORDER PER INVOICE.FOLLOWING THESE INSTRUCTIONS WILL ASSIST IN EXECUTING A SMOOTH PAYMENT PROCESS.

**\*NOTICE\***

PAYMENT AND INVOICE STATUS INFORMATION CAN BE OBTAINED IN THE "AP-REPORTING (ESAP)" APPLICATION WITHIN GM SUPPLYPOWER. INVOICES MAY BE SUBMITTED THROUGH "AP-INVOICE SUBMISSION (ESAP)" GM SUPPLYPOWER APPLICATION.

GM PAYMENT QUESTIONS CALL REQUEST TO PAY SERVICE DESK ON 888.376.6115 OR EMAIL: GMNAR2PHELP@GM.COM - PURCHASE ORDER/RELEASE NUMBER WILL BE REQUIRED TO ASSIST YOU.  
(CLAUSE IG, LAST UPDATED May 6th, 2016)

**8)SHIPPING INSTRUCTIONS (CLAUSE 3Z)**

A) CONTAINERIZATION LOGISTICS REQUESTS FOR GM CONTAINERS ORG.'S POS AND RELEASES ARE PROCESSED THROUGH CONTAINER SCHEDULING PORTAL (CSP). POS AND RELEASES TYPICALLY CONTAIN AN 8 DIGIT PROJECT ID AND/OR AHB/MAC CONTAINER DESCRIPTION. THE SUPPLIER IS RESPONSIBLE TO CONTACT THE GM REQUESTOR FOR SHIPPING INSTRUCTIONS FOR ALL CCA AND GM PLANT POS AND RELEASES.

**B) ALL OTHER COMMODITIES**

EFFECTIVE MARCH 1, 2016, WWW.GMSHIPPING.COM HAS BEEN DISCONTINUED AND A NEW THIRD PARTY PORTAL HAS BEEN ESTABLISHED TO COMMUNICATE SHIPPING INSTRUCTIONS. A NEW USER TO THE THIRD PARTY PORTAL MUST SEND THE FOLLOWING DETAILS: FULL NAME, PHONE, EMAIL AND THE COMPANY THEY WORK FOR, AND IF AVAILABLE, A GENERAL MOTORS LLC PURCHASE ORDER TO THE FOLLOWING EMAIL ADDRESS SUPPLIERID@GM.COM, AS PART OF A SCREENING PROCESS. ONCE ACCESS HAS BEEN GRANTED, THE USER WILL BE PROVIDED THEIR LOGIN CREDENTIALS AND THE URL LINK FOR ALL FURTHER THIRD PARTY PORTAL USE AND SHIPPING INSTRUCTIONS. NONCOMPLIANCE TO THE MOST CURRENT SHIPPING INSTRUCTIONS MAY RESULT IN FREIGHT CHARGES BEING DEBITED BACK TO THE SUPPLIER. THE USER IS RESPONSIBLE FOR REVIEWING THE THIRD PARTY PORTAL SITE FOR ALL PERIODIC UPDATES.

(CLAUSE 3Z - LAST UPDATE MARCH 29th, 2016)



Canada

General Motors of Canada Company

## Purchase Contract - Spot Buy

Purchase Contract #: E4300557102

Amendment: 0

(CLAUSE CA - LAST UPDATED May 6th, 2016)

### BionX E-Bike Contract Term Deviations.

The below terms shall replace and amend the indicated terms contained in Buyer's General Terms and Conditions (the "General Terms"). To the extent of any inconsistency, the below terms shall prevail over Buyer's General Terms and Conditions. The term "goods" used throughout the Contract shall refer to the complete propulsion system manufactured by Seller and its individual components. The term "vehicle" used throughout the Contract refers to the e-bike manufactured and assembled for Buyer.

Section 5 of the General Terms (Service) is replaced with the following:

#### 5. SERVICE & WARRANTY SUPPORT

Seller is responsible for all areas of customer service and service deliverable support identified in the Statement of Requirements and pursuant to a process, submitted in writing, which shall be jointly developed by Seller and Buyer in good faith. Seller shall provide onsite manufacturing and assembly support at each point of regional assembly of the Buyer vehicle to ensure and test quality of the goods at point of delivery, proper calibration and installation, and address any calibration, quality or integration issues. The goods shall be calibrated for the region of the end customer point of sale.

Seller shall be solely responsible for (i) a customer care center open during reasonable business hours in North America and Europe with Asia and Australia support to be set-up at the appropriate time. (ii) responding to (within 24 hours of receipt) and resolving all end customer questions and complaints regarding the goods to the reasonable satisfaction of such end customer pursuant to guidelines outlined in the Statement of Requirements and reasonably acceptable to Buyer; (iii) all repairs and replacements of the goods required to address and resolve defaults in material and workmanship and breach of warranty claims involving the goods; and (iv) all recall actions relating to the goods. In addition, Seller shall work cooperatively with Buyer to assure that features satisfying service requirements are designed into the components within thirty days of issuance of this Contract.

Service parts and support shall be provided by the Seller for the Contract term and a period of 7 years following completion of Buyer vehicle production which utilize the goods. In addition to the obligations to provide customer service, repair and replacement to end customers as set forth above, Seller shall provide service parts to Buyer upon request. The cost of service goods shall be the same as set forth in the Contract. Seller shall provide a supply of service goods in each continental region the Vehicle is sold (at a place to be directed by Buyer) in the amount estimated to meet expected quality and warranty claims. In the event service goods are not on hand to address quality and warranty issues, Seller shall air ship such service goods, or ground ship in the case of the battery unit, in each case within two days of receipt of an end customer complaint or other issue report. Seller and Buyer shall work cooperatively in good faith to implement a training program for dealers and diagnostics.

Section 13 of the General Terms (Warranty) is replaced with the following:

#### 13. WARRANTY

Seller warrants and guarantees that the goods will conform to all specifications, drawings, samples, descriptions and quality standards (i) furnished by Buyer, or (ii) furnished by Seller and approved by Buyer in writing, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use of the goods covered by this Contract and warrants and guarantees that such goods have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer. Unless otherwise set forth in this Contract, the duration of the warranty provided by Seller to Buyer for the goods will begin on the date of shipment of the goods and continue for three years from the date of sale of the Buyer Vehicle; provided that the above warranty for the battery pack shall continue through the date that is two years from the date of sale of the Buyer Vehicle.



Canada

General Motors of Canada Company

### Purchase Contract - Spot Buy

Purchase Contract #: E4300557102

Amendment: 0

Section 18 of the General Terms (Customs and Origin) is replaced with the following:

#### 18. CUSTOMS AND ORIGIN

Credits or benefits resulting or arising from this Contract, including trade credits, rebate credits, export credits or, the refund of duties, taxes or fees, will belong to Buyer. Seller will timely and accurately provide all information necessary (including written documentation and/or electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its import and export customs related obligations, origin marking or labeling requirements and local content origin requirements, if any.

Seller will undertake, in due time, such all necessary commercially reasonable arrangements or carry out all formalities to ensure the goods contained in this agreement are covered by any duty deferral or free trade zone program(s) of the country of import or secure eligibility for duty preferential treatment under any applicable trade agreement at the time the goods are imported. To the extent such goods are determined to not be eligible for duty preferential treatment after Buyer has filed a claim for such treatment, including determinations made after Buyer has filed a claim for such treatment, Seller will reimburse Buyer any customs duty or fees that are imposed. Seller and Buyer will cooperate with each other to enable each to more accurately determine its own duty liability and to minimize such liability to the extent legally permissible. Such cooperation includes, but is not limited to, the exchange of information necessary to establish the value of any prototypes or pre-production articles that either party moves across borders.

Seller will ensure compliance with the recommendations or requirements of all applicable Authorized Economic Operator (AEO), governmental security/anti-terrorism and enhanced border release programs (including, without limitation, the United States# Customs-Trade Partnership Against Terrorism (C-TPAT), Canada#s Partners in Protection initiative or Mexico#s Nuevo Esquema de Empresas Certificadas (NEEC) program). At request of Buyer or the appropriate Customs Authority, Seller will certify in writing its compliance with the foregoing. Any shipping and importation of goods should only be handled under the Incoterm of Delivered at Place "DAP". To the extent a different Incoterm will be used (especially Delivery Duty Paid "DDP"), Vendor must notify and obtain permission from GM Customs before such Incoterm is used.

Dated 9/22/2017

#### Additional terms:

N/A

#### The following attachments are incorporated by reference:

N/A

# **APPENDIX 7**

Production  
Tooling  
P.O

|                 |                                         |
|-----------------|-----------------------------------------|
| Seller Contact: |                                         |
| Name:           | BIONX CANADA INC                        |
| Address:        | 455 MAGNA DR<br>AURORA ON L4G 7A9<br>CA |



General Motors LLC

**Purchase Contract - Spot Buy - Tooling**

**Issue Date:** Oct- 17- 2017  
*Per comments on Affidavit - this PO could not be viewed until Dec 1, 2017*

**Buyer:**

General Motors LLC  
300 Renaissance Center  
Detroit MI 48265-3000  
US

**Seller:**

BIONX CANADA INC  
455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
DUNS: 243829467

**Buyer Contact:**

Name: taylor.brighi  
Purchasing Group: 4DE  
Tel: N/A  
Fax: N/A  
Email: taylor.brighi@gm.com

**Seller Contact:**

Name: BIONX CANADA INC  
Address: 455 MAGNA DR  
AURORA ON L4G 7A9  
CA  
Tel: 9057267830  
Fax: N/A  
Email: spatel@ridebionx.com

Upon the terms and conditions set forth in this Purchase Contract, Seller agrees to sell and Buyer agrees to purchase, the goods or services described below.

**Purchase Contract Details**

Purchase Contract Number: 4700021739  
Effective Date: Oct- 17- 2017  
Expiration Date: Oct- 17- 2020  
Amendment: 0  
Reference Part #: 24288312  
Reference Part Description: MOTOR ASM-DRV  
  
EWO  
Request Type: INITIAL TOOL  
Delivery Date: Jan- 15- 2018  
Tool set Daily Capacity: 0000033  
Hours Per Day: 8.0  
Payment terms: 47 Days Average with Weekly  
Payment calculated from: On Receipt of Valid Invoice  
Legacy Po Ref #:   
Progress payment: No

**Invoice Mailing Address**

GM Disbursements Services  
Indirect Invoice Processing  
PO Box 982268  
El Paso, Texas 79998-2268  
United States of America  
Email: (Preferred)eSAP\_AP\_US@gm.com

**Parent Equipment Number**

1000850212



General Motors LLC

**Purchase Contract - Spot Buy-Tooling**

Purchase Contract #: 4700021739

Amendment: 0

Currency: USD

| Item  | Tool Material Number | Tool Description                         | Equipment Number | Service Description | Qty   | Unit of Measure | Unit Price/Per/Unit of Measure | Tax Type Tax Rate | Tax Item Value | Total Item Value |
|-------|----------------------|------------------------------------------|------------------|---------------------|-------|-----------------|--------------------------------|-------------------|----------------|------------------|
| 00010 | VT10701480           | Other-Gear forming and fixtures          | N/A              | N/A                 | 1.000 | AU              | 4,000.00/1/AU                  | VAT 0%            | 0.00           | 4,000.00         |
| 00020 | VT10701521           | Other-Gear forming and fixtures          | N/A              | N/A                 | 1.000 | AU              | 4,000.00/1/AU                  | VAT 0%            | 0.00           | 4,000.00         |
| 00030 | VT10701522           | Other-Gear forming and fixtures          | N/A              | N/A                 | 1.000 | AU              | 7,000.00/1/AU                  | VAT 0%            | 0.00           | 7,000.00         |
| 00040 | VT10701523           | Hi Pressure Die Cast 1                   | N/A              | N/A                 | 1.000 | AU              | 4,200.00/1/AU                  | VAT 0%            | 0.00           | 4,200.00         |
| 00050 | VT10701524           | Hi Pressure Die Cast 1                   | N/A              | N/A                 | 1.000 | AU              | 7,600.00/1/AU                  | VAT 0%            | 0.00           | 7,600.00         |
| 00060 | VT10701525           | InjectionPlastic 1/3/4                   | N/A              | N/A                 | 1.000 | AU              | 6,000.00/1/AU                  | VAT 0%            | 0.00           | 6,000.00         |
| 00070 | VT10701526           | Other-Tooling needed to manufacture cust | N/A              | N/A                 | 1.000 | AU              | 130,000.00/1/AU                | VAT 0%            | 0.00           | 130,000.00       |
| 00080 | VT10701527           | InjectionPlastic 1/3/1                   | N/A              | N/A                 | 1.000 | AU              | 15,500.00/1/AU                 | VAT 0%            | 0.00           | 15,500.00        |
| 00090 | VT10701528           | Die Casting 1                            | N/A              | N/A                 | 1.000 | AU              | 85,900.00/1/AU                 | VAT 0%            | 0.00           | 85,900.00        |
| 00100 | VT10701529           | InjectionPlastic 12/4/1                  | N/A              | N/A                 | 1.000 | AU              | 12,500.00/1/AU                 | VAT 0%            | 0.00           | 12,500.00        |
| 00110 | VT10701530           | Forming 15x50                            | N/A              | N/A                 | 1.000 | AU              | 3,500.00/1/AU                  | VAT 0%            | 0.00           | 3,500.00         |
| 00120 | VT10701531           | InjectionPlastic 1/2/1                   | N/A              | N/A                 | 1.000 | AU              | 16,500.00/1/AU                 | VAT 0%            | 0.00           | 16,500.00        |
| 00130 | VT10701532           | Die Casting 1                            | N/A              | N/A                 | 1.000 | AU              | 100,000.00/1/AU                | VAT 0%            | 0.00           | 100,000.00       |
| 00140 | VT10701533           | Injection Rubber 1/1/1                   | N/A              | N/A                 | 1.000 | AU              | 4,500.00/1/AU                  | VAT 0%            | 0.00           | 4,500.00         |
| 00150 | VT10701534           | Assembly J/F                             | N/A              | N/A                 | 1.000 | AU              | 15,000.00/1/AU                 | VAT 0%            | 0.00           | 15,000.00        |



General Motors LLC

**Purchase Contract - Spot Buy-Tooling**

Purchase Contract #: 4700021739

Amendment: 0

Currency: USD

| Item  | Tool Material Number | Tool Description           | Equipment Number | Service Description | Qty   | Unit of Measure | Unit Price/Per/Unit of Measure | Tax Type Tax Rate | Tax Item Value | Total Item Value |
|-------|----------------------|----------------------------|------------------|---------------------|-------|-----------------|--------------------------------|-------------------|----------------|------------------|
| 00160 | VT10701535           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 2,500.00/1/A<br>U              | VAT 0%            | 0.00           | 2,500.00         |
| 00170 | VT10701536           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 10,000.00/1/A<br>U             | VAT 0%            | 0.00           | 10,000.00        |
| 00180 | VT10701537           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 10,000.00/1/A<br>U             | VAT 0%            | 0.00           | 10,000.00        |
| 00190 | VT10701538           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 5,000.00/1/A<br>U              | VAT 0%            | 0.00           | 5,000.00         |
| 00200 | VT10701539           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 5,000.00/1/A<br>U              | VAT 0%            | 0.00           | 5,000.00         |
| 00210 | VT10701540           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 7,500.00/1/A<br>U              | VAT 0%            | 0.00           | 7,500.00         |
| 00220 | VT10701541           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 10,000.00/1/A<br>U             | VAT 0%            | 0.00           | 10,000.00        |
| 00230 | VT10701542           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 20,000.00/1/A<br>U             | VAT 0%            | 0.00           | 20,000.00        |
| 00240 | VT10701543           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 7,500.00/1/A<br>U              | VAT 0%            | 0.00           | 7,500.00         |
| 00250 | VT10701544           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 10,000.00/1/A<br>U             | VAT 0%            | 0.00           | 10,000.00        |
| 00260 | VT10701545           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 15,000.00/1/A<br>U             | VAT 0%            | 0.00           | 15,000.00        |
| 00270 | VT10701546           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 5,000.00/1/A<br>U              | VAT 0%            | 0.00           | 5,000.00         |
| 00280 | VT10701547           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 15,000.00/1/A<br>U             | VAT 0%            | 0.00           | 15,000.00        |
| 00290 | VT10701548           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 10,000.00/1/A<br>U             | VAT 0%            | 0.00           | 10,000.00        |
| 00300 | VT10701549           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 15,000.00/1/A<br>U             | VAT 0%            | 0.00           | 15,000.00        |
| 00310 | VT10701550           | InjectionPlastic<br>1/1/0  | N/A              | N/A                 | 1.000 | AU              | 12,700.00/1/A<br>U             | VAT 0%            | 0.00           | 12,700.00        |
| 00320 | VT10701551           | Assembly J/F               | N/A              | N/A                 | 1.000 | AU              | 25,000.00/1/A<br>U             | VAT 0%            | 0.00           | 25,000.00        |
| 00330 | VT10701552           | Other-Custom<br>EOL tester | N/A              | N/A                 | 1.000 | AU              | 47,000.00/1/A<br>U             | VAT 0%            | 0.00           | 47,000.00        |



General Motors LLC

**Purchase Contract - Spot Buy-Tooling**

Purchase Contract #: 4700021739

Amendment: 0

Currency: USD

| Item  | Tool Material Number | Tool Description       | Equipment Number | Service Description | Qty   | Unit of Measure | Unit Price/Per/Unit of Measure | Tax Type Tax Rate | Tax Item Value | Total Item Value |
|-------|----------------------|------------------------|------------------|---------------------|-------|-----------------|--------------------------------|-------------------|----------------|------------------|
| 00340 | VT10701553           | InjectionPlastic 1/1/1 | N/A              | N/A                 | 1.000 | AU              | 7,800.00/1/A U                 | VAT 0%            | 0.00           | 7,800.00         |
| 00350 | VT10701554           | InjectionPlastic 1/1/0 | N/A              | N/A                 | 1.000 | AU              | 12,000.00/1/A U                | VAT 0%            | 0.00           | 12,000.00        |
| 00360 | VT10701555           | Forging Die            | N/A              | N/A                 | 1.000 | AU              | 21,000.00/1/A U                | VAT 0%            | 0.00           | 21,000.00        |
| 00370 | VT10701556           | Other-Gear cutting     | N/A              | N/A                 | 1.000 | AU              | 3,250.00/1/A U                 | VAT 0%            | 0.00           | 3,250.00         |
| 00380 | VT10701557           | Other-Gear Cutting     | N/A              | N/A                 | 1.000 | AU              | 3,250.00/1/A U                 | VAT 0%            | 0.00           | 3,250.00         |
| 00390 | VT10701558           | Other-Gear Cutting     | N/A              | N/A                 | 1.000 | AU              | 6,500.00/1/A U                 | VAT 0%            | 0.00           | 6,500.00         |

|                              |            |
|------------------------------|------------|
| Total Tax Amount             | 0.00       |
| Total Value Exclusive of Tax | 702,200.00 |



General Motors LLC

## Purchase Contract - Spot Buy-Tooling

Purchase Contract #: 4700021739  
Amendment: 0

### Additional terms:

RFQ/EWO #:

Production Tooling PO: eBike

The Request for Quote (RFQ) associated with the original part is incorporated into this contract.

Program (s) for which Buyer is purchasing tool:

BionX has been awarded Battery Assembly, Drive Unit, and Charge Cord for the eBike program

Supplier contact:

BionX contact # Al Sasnowski

Telephone number: 1 (647) 237 - 1355

Supplier Quote Date:

Supplier Quote Letter Dated 10Oct2017, which is not incorporated but is referenced for administrative purposes only.

Reference old part number and new part number:

24288312

Suma S P for Taylor Brighi

10/17/2017

Total purchase price is equal to Total value Exclusive of Tax plus Total Tax Amount.

### General Terms and Conditions

#### 1. EFFECTIVENESS

As used herein, "Contract" means this document, including, without limitation, all terms, provisions, sub-parts, sections and attachments, along with any documents incorporated by reference herein. This Contract will be accepted by Seller and become effective immediately upon the first to occur of: (a) the date on which Seller provides written acceptance to Buyer (whether by electronic means or otherwise), or (b) Seller's commencement of any work under this Contract.

#### 2. ENTIRE AGREEMENT; APPLICABILITY

This Contract sets forth the exclusive terms and conditions under which Seller will sell and Buyer will purchase the goods or services described herein for the period(s) specified in this Contract. Terms and conditions proposed by Seller that are different from or in addition to the provisions of this Contract are expressly rejected by Buyer and are not a part of this Contract, and Seller's acceptance is expressly limited to the terms of this Contract. This Contract constitutes the entire agreement between Seller and Buyer with respect to the matters contained herein and supersedes all prior or contemporaneous oral or written agreements, representations and/or communications. This Contract may be modified only by an amendment issued by Buyer.



General Motors LLC

## Purchase Contract - Spot Buy-Tooling

Purchase Contract #: 4700021739

Amendment: 0

### 3. DELIVERY; SCHEDULING; ELECTRONIC DATA INTERCHANGE

Seller will comply, in all respects, with Buyer's delivery and logistics requirements, as amended or updated from time to time and as incorporated in this Contract by reference. Time is of the essence, and deliveries must be made both in quantities and at times specified in Buyer's delivery schedules. Seller will electronically communicate with Buyer in a secure (encrypted) manner and specifically utilizing electronic data interchange (EDI) with respect to all supply chain communications relating to this Contract, including, without limitation, receiving Buyer's production schedules and sending advance shipment notices to Buyer. Buyer will not be required to make payment for goods delivered to Buyer that are in excess of quantities specified in Buyer's delivery schedules. Buyer may change the rate of scheduled shipments, the quantity of shipments or direct temporary suspension of scheduled shipments. Where quantities and/or delivery schedules are not specified, Seller will deliver goods in such quantities and times as Buyer may direct in subsequent delivery schedules. Further, if Seller's acts or omissions result in or are likely to result in Seller's failure to meet Buyer's delivery requirements and Buyer requires a more expeditious method of transportation for the goods than the transportation method originally specified by Buyer, Seller will be solely responsible for all costs and expenses associated with such expedited shipments.

### 4. SHIPPING; PACKAGING

Seller will comply, in all respects, with Buyer's shipping and packaging requirements as amended or updated from time to time and as incorporated in this Contract by reference. Unless otherwise provided in this Contract, any charges or costs relating to handling, packaging, storage or transportation of goods are borne by Seller and have been included in the piece price of the goods as set forth herein. Further, Seller will (a) properly pack, mark and ship goods in accordance with the requirements of Buyer, the involved carriers, and laws and regulations of the country of manufacture, the country of destination and any country in which the goods will be transported, including, without limitation, laws and regulations governing the handling and transportation of dangerous goods or hazardous materials; (b) route shipments in accordance with Buyer's instructions and the terms and conditions stated in this Contract; (c) provide with each shipment packing slips with Buyer's Contract and/or release number and date of shipment marked thereon; (d) promptly forward the original bill of lading or other shipping documents for each shipment in accordance with Buyer's instructions; and (e) include on bills of lading or other shipping documents the correct classification of the goods. The marks on each package and identification of the goods on packing slips, bills of lading and invoices (when required) must be sufficient to enable Buyer to easily identify the goods purchased.

### 5. SERVICE AND REPLACEMENT PARTS

Seller will sell to Buyer goods necessary for Buyer to fulfill its current model service and replacement parts requirements at the price(s) set forth in this Contract, adjusted only for differences in packaging and logistics costs, all as approved by Buyer. If the goods are systems or modules, Seller will sell the components or parts that comprise the system or module at price(s) that will not, in the aggregate, exceed the price of the system or module less assembly costs. During the 15-year period after Buyer completes current model purchases, Seller will sell goods to Buyer to fulfill Buyer's past model service and replacement parts requirements. Unless otherwise agreed to by Buyer, the price(s) during the first 5 years of this period will be those in effect at the conclusion of current model purchases. For the remainder of this period, the price(s) for goods will be as agreed to by the parties.

### 6. NON-CONFORMING, REJECTED OR SURPLUS GOODS



General Motors LLC

## Purchase Contract - Spot Buy-Tooling

Purchase Contract #: 4700021739

Amendment: 0

Buyer will not perform incoming inspections of the goods and Seller waives any requirement that Buyer conduct such inspections. Payment for nonconforming goods will not constitute an acceptance of them, limit or impair Buyer's right to assert any legal or equitable remedy, or relieve Seller's responsibility for latent defects. Any goods (a) determined to be nonconforming by Seller (or its suppliers); (b) rejected by Buyer as nonconforming; or (c) that become obsolete or surplus, will be rendered unusable prior to salvage or disposal by Seller (or its suppliers). Seller will ensure that nonconforming, rejected, obsolete or surplus goods are not sold as service or replacement parts to third parties. Seller will institute appropriate controls with its suppliers to ensure compliance with this Section.

### 7. TRANSFER OF TITLE

Title to the goods will transfer to Buyer free and clear of any liens, claims, encumbrances, interests or other rights at the moment the risk of loss transfers from Seller to Buyer with respect to such goods in accordance with the Incoterm or alternative delivery term set forth in this Contract.

### 8. PROTECTION AGAINST LABOR DISRUPTIONS

Seller will, at Seller's expense, take such actions as are necessary or appropriate to ensure the uninterrupted supply of goods and services to Buyer for not less than 30 days during any foreseeable or anticipated labor disruption and/or the expiration of any of Seller's labor contracts. This Section shall not constitute a waiver of and is without prejudice to, any and all of Buyer's other rights and remedies under this Contract or applicable law, each of which are hereby reserved.

### 9. SELLER'S ASSURANCE OF PERFORMANCE

In the event that Buyer has reasonable grounds for insecurity with respect to Seller's continued performance under this Contract, Buyer may, in writing, demand adequate assurance of such performance from Seller. After receipt of such demand, Seller's failure, within a reasonable period of time under the circumstances (not to exceed 20 days), to provide assurances adequate under the circumstances will be deemed a breach of this Contract by Seller.

### 10. CHANGES

By written notice to Seller, Buyer may, from time to time, direct changes, or direct Seller to make changes, to drawings and specifications of the goods or to otherwise change the scope of the work covered by this Contract, including, without limitation, work with respect to such matters as inspection, testing or quality control, and Buyer and Seller will promptly discuss, reasonably and in good faith, any pricing adjustments (up or down) to be made in connection with such changes. Notwithstanding any such discussions, Seller will promptly implement such changes as directed by Buyer without delay. In the event that Buyer and Seller are unable to reach agreement on any pricing adjustments to be made in connection with such changes, any difference in price or time for performance resulting from such changes will be equitably adjusted by Buyer based on a fair cost assessment after receipt of documentation in such form and detail as Buyer may direct. Seller will accept any amendments issued by Buyer implementing such changes. Seller may, from time to time, propose changes to drawings and specifications of the goods or to the scope of the work covered by this Contract. If Buyer agrees, in its discretion, to implement such changes, the agreement between the parties with respect to such changes will be made in accordance with Section 2 (Entire Agreement, Applicability) above.



General Motors LLC

## Purchase Contract - Spot Buy-Tooling

Purchase Contract #: 4700021739

Amendment: 0

Seller will not relocate the production, manufacture or assembly of the goods from the facilities approved by Buyer, or change the location from which the goods are shipped, without first following Buyer's relocation requirements and obtaining Buyer's advanced written consent.

### 11. SUBCONTRACTING

Seller will not subcontract any of its obligations under this Contract without the prior written consent of Buyer. Any such consent of Buyer will not release Seller from, or limit, any of Seller's obligations under this Contract. Seller warrants and guarantees that any such subcontractor's performance will satisfy all requirements applicable to Seller under this Contract.

### 12. QUALITY

Seller will comply, in all respects, and will cause its subcontractors and suppliers to comply, in all respects, with Buyer's quality requirements and procedures as amended or updated from time to time and as incorporated by reference in this Contract. Seller will promote continuous improvement in the quality of the goods and Seller's manufacturing and logistics processes.

### 13. PRODUCT WARRANTY; WARRANTY OF PERFORMANCE

Seller warrants and guarantees that the goods covered by this Contract will conform to all specifications, drawings, samples, descriptions and quality standards (i) furnished by Buyer, or (ii) furnished by Seller and approved by Buyer in writing, and will be merchantable, of good material and workmanship and free from defect. In addition, Seller acknowledges that Seller knows of Buyer's intended use of the goods covered by this Contract and warrants and guarantees that such goods have been selected, designed, manufactured or assembled by Seller based upon Buyer's stated use and will be fit and sufficient for the particular purposes intended by Buyer. Unless otherwise set forth in this Contract, the duration of the warranty provided by Seller to Buyer for the goods will begin on the date of receipt of the goods by Buyer and end on the later of (a) the date of expiration of any warranty period provided under applicable law for the goods, (b) expiration of any warranty applicable to the goods provided by Buyer to Buyer's end customer for the vehicle into which the goods are incorporated, or (c) the expiration of any specific warranty period or performance standard provided in any document incorporated by reference into the Contract, including in Buyer's specifications or quality standards.

### 14. INGREDIENTS DISCLOSURE; SPECIAL WARNINGS AND INSTRUCTIONS

Seller will promptly furnish to Buyer in such form and detail as Buyer may direct: (a) a list of all ingredients and materials incorporated in the goods; (b) the amount of such ingredients and materials; and (c) information concerning any changes in or additions to such ingredients and materials. Prior to and with the shipment of the goods, Seller agrees to furnish to Buyer sufficient advance warning and notice, in writing (including, without limitation, appropriate labels on the goods, containers and packing), of any dangerous goods or hazardous material that is an ingredient or a part of any shipment of goods, together with such special handling instructions as may be necessary to advise carriers, Buyer and their respective employees of how to exercise that measure of care and precaution that will comply with any applicable laws or regulations and best prevent bodily injury or property damage in the handling, transportation, processing, use or disposal of the goods, containers and packing shipped to Buyer. Upon Buyer's request, Seller will certify to Buyer in writing the origin of any ingredients or materials in the goods. Seller will promptly provide, in writing, any



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information regarding the goods requested by Buyer so that Buyer may comply in a timely manner with reporting requirements under applicable law with respect to consumer protection, "conflict minerals" or similar materials or ingredients, if any.

**15. AUDIT RIGHTS; INSPECTION OF SELLER'S PREMISES**

Seller grants Buyer access to Seller's premises and books and records solely for the purpose of auditing Seller's compliance with the terms of this Contract (including, without limitation, charges under this Contract) or inspecting or conducting an inventory of finished goods, work-in-process, raw materials, any of Buyer's Property and all work or other items to be provided pursuant to this Contract located at Seller's premises. Seller will cooperate with Buyer so as to facilitate Buyer's audit, including, without limitation, by segregating and promptly producing such records as Buyer may reasonably request, and otherwise making records and other materials accessible to Buyer. Seller will preserve all records pertinent to this Contract, and Seller's performance under this Contract, for a period of not less than one year after Buyer's final payment to Seller under this Contract. Any such audit or inspection conducted by Buyer or its representatives will not constitute acceptance of any goods (whether in progress or finished), relieve Seller of any liability under this Contract or prejudice any rights or remedies available to Buyer.

**16. WORK PERFORMED ON BUYER'S PREMISES**

If Seller or its subcontractors perform any work on Buyer's premises or utilizes the property of Buyer, whether on or off Buyer's premises, Seller will indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including, without limitation, legal and other professional fees) for damages to the property of or injuries, including death, to Buyer or Seller, Buyer's or Seller's employees, subcontractors or any other person arising from or in connection with Seller's performance of work or use of Buyer's property, except for such liability, claim or demand arising out of the sole negligence of Buyer.

**17. PAYMENT; SETOFF AND RECOUPMENT**

If Buyer requests an invoice from Seller or if this Contract requires Seller to invoice Buyer for the goods or services covered by this Contract, promptly after each shipment of goods or performance of services, Seller will issue a single invoice for such shipment or agreed performance milestone to Buyer at the address specified in this Contract. Each invoice must comply with applicable law, if any, and include the following information regarding the corresponding shipment of goods or performance of services: (a) amount due (in the currency specified in this Contract); (b) location of delivery or performance; (c) shipment or delivery information; (d) Contract number; (e) if applicable, purchase order number; (f) if applicable, the intra-EU VAT number; and (g) for goods, net weight of the goods. Buyer may reject any invoice that is inaccurate or does not conform to these requirements, and Seller will promptly reissue any such rejected invoice. Buyer's failure to reject an invoice does not constitute Buyer's acceptance of the invoice or the goods or services to which such invoice pertains.

Buyer will pay for the goods or services provided by Seller in accordance with the payment terms and in the currency specified elsewhere in this Contract. Payments may be made electronically (including, without limitation, by bank transfer or recorded bill of exchange, where applicable). Where Buyer has reasonable grounds to believe goods provided by Seller under this Contract may be subject to any liens, claims or encumbrances, Buyer may withhold payment pending receipt of evidence, in such form and detail as Buyer may direct, that such goods are free of any liens, claims and encumbrances.



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In addition to any right of setoff or recoupment provided by law, all amounts due to Seller will be considered net of indebtedness of Seller and its affiliates/subsidiaries to Buyer and its affiliates/subsidiaries; and Buyer will have the right to setoff against or to recoup from any amounts due to Seller and its affiliates/subsidiaries from Buyer and its affiliates/subsidiaries.

**18. CUSTOMS; ORIGIN**

Credits or benefits resulting or arising from this Contract, including trade credits, export credits or the refund of duties, taxes or fees, will belong to Buyer. Seller will timely and accurately provide all information necessary (including written documentation and electronic transaction records) to permit Buyer to receive such benefits or credits, as well as to fulfill its import and, where required by this Contract, export customs related obligations, origin marking or labeling requirements and local content origin requirements, if any. Seller will undertake such arrangements as necessary for the goods to be covered by any duty deferral or free trade zone program(s) of the country of import. Seller will ensure compliance with the recommendations or requirements of all applicable Authorized Economic Operator (AEO), governmental security/anti-terrorism and enhanced border release programs (including, without limitation, the United States Bureau of Customs and Border Protection's Customs-Trade Partnership Against Terrorism (C-TPAT), Canada Border Services Agency's Partners in Protection initiative and Administración General de Aduanas de Mexico's Nuevo Esquema Empresa Certificada (NEEC) program). At the request of Buyer or the appropriate Customs Authority, Seller will certify in writing its compliance with the foregoing.

**19. TRANSACTIONAL TAX**

Unless otherwise provided in this Contract, the prices set forth in this Contract will be exclusive of all transactional taxes, including any sales, use, excise, services, value added tax, goods and services tax, or similar tax, and these taxes should be separately identified by Seller in both Seller's quote and in this Contract even if the tax rate is zero. Buyer will not be responsible for any transactional taxes charged by the Seller that are not identified in this manner. Seller shall separately state all charges for transactional taxes on its invoices (or other such documents). Additionally, Seller shall provide Buyer with invoices in line with the applicable tax laws in its country to enable the Buyer to reclaim the transactional taxes and Seller will provide such documentation no later than when the payment to which the invoice relates is due from Buyer. Seller will be responsible for remitting the transactional tax to the applicable taxing authority except for those states or jurisdictions where Buyer has provided Seller with an appropriate exemption certificate. Seller will use reasonable efforts to apply for such exemptions where applicable. Seller will not charge Buyer for any transactional taxes charged by a subcontracting supplier if such tax is recoverable by Seller, or if not recoverable, it would have been, had the transaction been structured through other entities (either the Seller's or the Buyer's affiliated companies). If transactional taxes are not recoverable by Seller, Seller agrees to provide detailed billing, customs or other documents as requested, which set out the transactional taxes paid or payable to any of the Buyer's subcontracting supplier or to a taxing authority.

**20. INSOLVENCY**

Buyer may immediately terminate this Contract without liability to Seller in any one or more of the following or other comparable events: (a) insolvency of Seller (including, without limitation, a circumstance in which Seller's liabilities exceed its assets or Seller is unable to pay its debts as they come due); (b) appointment of a receiver, trustee or administrator over Seller or its assets; or (c) execution of an assignment for the benefit of creditors by Seller,



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provided that such petition, appointment or assignment is not vacated or nullified within 15 days of such event. Seller will inform Buyer immediately should any of these events occur or Seller becomes aware of events or circumstances likely to give rise to any such events. Seller will reimburse Buyer for all costs and expenses incurred by Buyer in connection with any of these events (regardless of whether Buyer exercises its termination rights with respect thereto, including, without limitation, all legal or other professional fees).

### 21. SELLER'S PROPERTY

Unless otherwise agreed to by Buyer, Seller, at its expense, will furnish, keep in good condition, and replace when necessary all machinery, equipment, tools, jigs, dies, gauges, fixtures, molds, patterns and other items ("Seller's Property") necessary for the production of the goods. Seller will insure Seller's Property with coverage for all losses for its replacement value. Seller grants Buyer an irrevocable option to take possession of and title to Seller's Property that is used exclusively for the production of the goods upon payment to Seller of its net book value less any amounts that Buyer has previously paid to Seller for the cost of such items, but less any amounts otherwise owing to Buyer by Seller; provided, however, that this option will not apply if Seller's Property is used to produce goods that are the standard stock of Seller or if a substantial quantity of like goods are being sold by Seller to others, and this option may only be exercised in connection with a termination of this Contract under Section 33 (Termination for Cause) below or Section 20 (Insolvency) above.

### 22. BUYER'S PROPERTY

All supplies, materials, prototype and production tools, jigs, dies, gauges, fixtures, molds, patterns, equipment, related software and other items (together with any accessions, appurtenances, modifications, repairs, refurbishments and replacements thereof) furnished by Buyer, either directly or indirectly, to Seller to perform this Contract, or for which Seller has been paid (other than through piece price amortization) by Buyer ("Buyer's Property"), will be and remain the property of Buyer, and all right, title and interest in Buyer's Property will remain with Buyer, subject only to the limited right of possession granted to Seller under this Section. Buyer will, at any time, have the right to immediate possession of Buyer's Property, on Buyer's demand. If title in any Buyer's Property has not otherwise passed to Buyer, title will pass to Buyer immediately upon completion of Buyer's production part approval process (PPAP) for such property or the date Buyer first makes any payment to Seller relating to such property, whichever comes first. Seller will bear all risk of loss of and damage to Buyer's Property. Buyer's Property will at all times be properly housed and maintained by Seller, at its expense, will not be used by Seller for any purpose other than the performance of this Contract; will be deemed to be personalty; will be conspicuously marked by Seller as the property of Buyer; will not be commingled with the property of Seller or with that of a third person; and will not be moved from Seller's premises without Buyer's prior written approval. Buyer and its designees will have the right to enter Seller's premises at all reasonable times to inspect Buyer's Property and Seller's records with respect thereto. Upon the request of Buyer, Buyer's Property will be immediately released to Buyer or delivered to Buyer by Seller, either (i) FCA transport equipment at Seller's plant (Incoterms 2010), properly packed and marked in accordance with the requirements of the carrier selected by Buyer to transport such property, or (ii) to any location designated by Buyer, in which event Buyer will pay to Seller the reasonable costs of delivering such property to such location. To the fullest extent permitted by law, Seller waives any liens, claims, encumbrances, interests or other rights that Seller might otherwise have or assert on or with respect to any of Buyer's Property for work performed on such property or otherwise. To the extent any Intellectual Property Rights owned by or licensed to Seller is embodied in, or is otherwise necessary for the intended use of, any Buyer's Property, Seller hereby grants to Buyer a fully paid, irrevocable, non-exclusive, worldwide, perpetual to the maximum extent



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permitted by law, royalty-free license, with the right to grant sublicenses as necessary for any use of Buyer's Property, to use such Intellectual Property Rights.

23. INTELLECTUAL PROPERTY RIGHTS

(a) APPLICABILITY

This Section will apply where the Parties have not entered into a separate written agreement signed by their respective authorized representatives prior to or contemporaneous with the effective date of this Contract with respect to the Parties' Intellectual Property Rights (defined below) that expressly prevails over this Contract.

(b) DEFINITIONS

"Intellectual Property Rights" means any patent, patented articles, patent applications, designs, industrial designs, copyrights, software, source code, database rights, moral rights, inventions whether or not capable of protection by patent or registration, techniques, technical data, trade secrets, know-how, and any other proprietary right, whether registered or unregistered, including applications and registrations thereof, all related and continuing rights, and all similar or equivalent forms of protection anywhere in the world. Intellectual Property Rights excludes all brands, trademarks, trade names, slogans and logos of Seller and Buyer unless specifically identified as a deliverable or work product of Seller pursuant to this Contract.

"Background Intellectual Property Rights" means any Intellectual Property Rights of either Buyer or Seller relating to the goods or services contracted (i) existing prior to the effective date of this Contract or prior to the date Buyer and Seller began any technical cooperation relating to the goods or services contracted, whichever is earlier, or (ii) that each party acquires or develops after these dates but in a strictly independent manner and entirely outside of any work conducted under this Contract.

"Foreground Intellectual Property Rights" means any Intellectual Property Rights, except Background Intellectual Property Rights, (i) that are developed in whole or in part by Buyer alone, by Buyer and Seller jointly or by Seller alone, in connection with this Contract or (ii) relating to the goods or services contracted.

(c) FOREGROUND INTELLECTUAL PROPERTY RIGHTS

Buyer and Seller will each retain ownership of any Foreground Intellectual Property Rights that are solely created or made by their respective employees, agents or subcontractors ("Personnel"). Buyer and Seller will jointly own any Foreground Intellectual Property Rights that are jointly created or made by Personnel of both Buyer and Seller with the ability to grant licenses without consultation and no duty of accounting to each other for any use or purpose. For clarity, unless an express written period of exclusivity has been promised to Buyer, Foreground Intellectual Property Rights owned or controlled by Seller may be immediately exploited by Seller in connection with its business with its other customers and will not be exclusive to Seller's performance of this Contract. Seller hereby grants to Buyer and causes its affiliates and Personnel to grant to Buyer, an irrevocable, worldwide, nonexclusive, perpetual to the maximum extent permitted by law, royalty free, fully paid-up license, with right to sublicense, to all Foreground Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to



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sell, sell and import, without limitation.

**(d) BACKGROUND INTELLECTUAL PROPERTY RIGHTS**

Buyer and Seller will each retain ownership of their respective Background Intellectual Property Rights.

Seller hereby grants to Buyer and causes its affiliates and Personnel to grant to Buyer, an irrevocable, worldwide, nonexclusive, royalty free, fully paid-up license, with right to sublicense to Buyer's affiliates, to all Background Intellectual Property Rights to make, have made, use, reproduce, modify, improve, prepare derivative works of, distribute, display, perform, offer to sell, sell and import the goods or services that are the subject of this Contract (the "Limited License"), provided that Buyer or its affiliates will only use this Limited License in the event that (i) Seller breaches or repudiates its obligations by being unable or unwilling to deliver goods or services under this Contract, or (ii) in the event Seller is unable to supply goods or services under this Contract as a result of a force majeure event, but in such event only for the duration of Seller's inability to supply. In no event will the term of the Limited License extend beyond the expiration date of this Contract.

**(e) COPYRIGHTS**

To the extent that this Contract is issued for the creation of copyrightable works, the works will be considered "works made for hire" for Buyer except to the extent that the works do not qualify as "works made for hire" for Buyer in which case Seller hereby assigns to Buyer all right, title and interest in all copyrights and if lawfully permitted waives all moral rights therein.

**(f) RIGHT TO REPAIR**

For the avoidance of doubt, Buyer Group, its dealers, its customers, and its subcontractors have the right to repair, reconstruct, remanufacture, reflash, or rebuild the specific goods delivered under this Contract without payment of any royalty to Seller.

**(g) MISCELLANEOUS**

Goods manufactured based on Buyer's drawings, designs, and/or specifications as well as any software code or models provided by Buyer may not be used for Seller's own use or sold to third parties without Buyer's express written authorization.

Nothing in this Contract is an admission by Buyer of the validity of any Intellectual Property Rights claimed by Seller, including an admission that any license is required by Buyer to manufacture the goods or continue the services contracted. Seller will claim and acquire all rights and waivers of Seller's personnel required to enable Seller to grant Buyer the rights and licenses in this Contract. Seller assumes full and sole responsibility for compensating Seller's personnel for such rights and waivers, including the remuneration of employees.

Seller, on behalf of itself and Buyer Group and its dealers and customers will comply with all obligations with respect to software that forms any part of the goods or services contracted, including obligations under any licenses.



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### 24. INTELLECTUAL PROPERTY INDEMNIFICATION

Seller will investigate, defend, hold harmless and indemnify Buyer, its successors, its affiliates (collectively "Buyer Group") and its dealers and customers against any actual or alleged claims of infringement or other assertions of proprietary rights violations (including patent, trademark, copyright, industrial design right, or other proprietary right, misuse, or misappropriation of trade secret) and resulting damages and expenses (including attorney's and other professional fees) arising in any way in relation to the goods or services contracted, including such claims where Seller has provided only part of the goods or services (collectively "IP claims"). Seller expressly waives any claim against Buyer Group that any such IP Claims arose out of compliance with Buyer Group's or its dealers' or customers' specification or direction.

### 25. REMEDIES; INDEMNITY

The rights and remedies reserved to Buyer in this Contract are cumulative with, and additional to, all other rights and remedies of Buyer under applicable law or in equity. Without limiting the foregoing, in the event that any goods fail to conform to the warranties set forth in this Contract or the product specifications incorporated by reference in this Contract, or if Seller otherwise breaches any of its obligations under this Contract, Buyer will be entitled to recover from Seller any and all damages, including, without limitation, any direct, indirect, incidental and consequential damages and all legal and other professional fees and costs incurred by Buyer as a result of such breach or failure, including, without limitation, costs, expenses and losses incurred by Buyer (a) in inspecting, sorting, testing, repairing or replacing nonconforming goods or nonconforming deliveries; (b) resulting from production interruptions; (c) in conducting recall campaigns or other corrective service actions; or (d) resulting from personal injury, including death, or property damage. If requested by Buyer, Seller will enter into a separate agreement for the administration and processing of warranty chargebacks for nonconforming goods.

Seller will indemnify, defend and hold harmless Buyer Group against any liability, claim, demand and expense (including, without limitation, legal and other professional fees) arising from or relating to any failure of Seller to fully perform any of its obligations under this Contract.

### 26. SPECIFIC PERFORMANCE

Seller acknowledges and agrees that money damages will not be a sufficient remedy for any actual or threatened breach of this Contract by Seller and that, in addition to all other rights and remedies that Buyer may have, Buyer will be entitled to specific performance and temporary, preliminary and permanent injunctive relief in connection with any action to enforce this Contract, without any requirement of a bond or other security to be provided by Buyer.

### 27. FORCE MAJEURE

Any delay or failure of either party to perform its obligations under this Contract will be excused to the extent that Seller is unable to produce, sell or deliver, or Buyer is unable to accept delivery, buy or use, the goods or services covered by this Contract, directly as the result of an event or occurrence beyond the reasonable control of such party, without such party's fault or negligence (a "force majeure event"), including, if applicable, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars and sabotage; provided that written notice of such force majeure event (including the anticipated duration of the delay) must be given



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by the affected party to the other party as soon as possible (but in no event more than 10 days after the force majeure event occurs).

During any force majeure event affecting Seller's performance, Buyer may, at its option, purchase goods or services from other sources and reduce its delivery schedules to Seller by such quantities, without liability to Seller, or require Seller to provide goods or services from other sources in quantities and at times requested by Buyer at the price set forth in this Contract.

Seller will use all diligent efforts to ensure that the effects of any force majeure event are minimized and, as promptly as possible, resume full performance under this Contract. If requested by Buyer in writing, Seller will, within 5 days after Buyer's request, provide adequate assurances that the delay in Seller's performance resulting from such event will not exceed 30 days. If the delay lasts more than 30 days or Seller does not provide such adequate assurances, Buyer may immediately terminate this Contract without liability to Seller.

**28. INSURANCE**

Seller will maintain insurance coverage with insurance carriers acceptable to Buyer and in the amounts set forth elsewhere in this Contract. Seller will furnish to Buyer either a certificate showing compliance with these insurance requirements or certified copies of all insurance policies within 10 days of Buyer's written request. The certificate will provide that Buyer will receive 30 days' prior written notice of any termination or reduction in the amount or scope of coverage. Seller's furnishing of certificates of insurance or purchase of insurance will not release Seller of any of its obligations or liabilities under this Contract.

**29. TECHNICAL INFORMATION**

Seller agrees not to assert any claim (other than a claim for patent infringement) with respect to any technical or other information that Seller has disclosed or may hereafter disclose to Buyer or its affiliates in connection with this Contract or the goods or services contracted. Any technical or other information provided by Seller to Buyer or its affiliates will not be subject to confidentiality or nondisclosure obligations unless the parties have entered into a separate written confidentiality and nondisclosure agreement signed by their respective authorized representatives prior to the effective date of this Contract.

**30. CONFIDENTIALITY; NO ADVERTISING**

Seller will maintain the confidentiality of any information provided by Buyer or its representatives, and any materials or information that contain, or are based on, any such information. Seller may only use such information in connection with its performance under this Contract and will not provide such information to any third party (including, without limitation, Seller's subcontractors) without Buyer's advance written consent.

Seller will not, without first obtaining the written consent of Buyer, in any manner (a) advertise or publish the fact that Seller has contracted to furnish Buyer the goods or services covered by this Contract; (b) use Buyer's trademarks, trade names or confidential information in Seller's advertising or promotional materials; or (c) use Buyer's trademarks, trade names or confidential information in any form of electronic communication such as web sites (internal or external), blogs or other types of postings.



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### 31. COMPLIANCE WITH LAWS

Seller, and any goods or services supplied by Seller, will comply with all applicable laws, rules, regulations, orders, conventions, ordinances or standards of the country(ies) of destination or that relate to the manufacture, labeling, transportation, importation, exportation, licensing, approval or certification of the goods or services, including, without limitation, those relating to environmental matters, the handling and transportation of dangerous goods or hazardous materials, data protection and privacy, wages, hours and conditions of employment, subcontractor selection, discrimination, occupational health/safety and motor vehicle safety. Seller further represents that neither it nor any of its subcontractors, vendors, agents or other associated third parties will utilize child, slave, prisoner or any other form of forced or involuntary labor, or engage in abusive employment or corrupt business practices, in the supply of goods or provision of services under this Contract. Seller agrees to comply with all applicable anti-corruption laws, including, without limitation, the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act, and that neither it nor any of its subcontractors, vendors, agents or other associated third parties will engage in any form of commercial bribery, nor directly or indirectly provide or offer to provide, anything of value to or for the benefit of, any official or employee of a governmental authority or of any government-owned, government-controlled or government-affiliated entity to obtain or retain any contract, business opportunity or other business benefit, or to influence any act or decision of that person in his/her official capacity. At Buyer's request, Seller will certify in writing its compliance with the foregoing. Seller will indemnify and hold Buyer harmless from and against any liability, claims, demands or expenses (including, without limitation, legal or other professional fees) arising from or relating to Seller's noncompliance.

### 32. EXPORT CONTROLS; SANCTIONS COMPLIANCE

Seller agrees to comply with all applicable export control and sanctions laws and regulations of the United States of America, of member States of the European Union, and any other relevant country (the "Export Control Laws"). Seller will not violate, and will not cause Buyer to violate, any Export Control Laws (e.g. by transshipping goods through, or supplying goods or services from, sanctioned countries). Licenses or other authorizations required for the export of goods or services will be the responsibility of Seller unless otherwise indicated in this Contract, in which event Seller will provide such information as may be requested by Buyer to enable Buyer to obtain such licenses or authorizations.

### 33. TERMINATION FOR CAUSE

Buyer may terminate all or any part of this Contract, without liability to Seller, if Seller (a) breaches any term of this Contract (including, without limitation, Seller's warranties); (b) states its intention not to perform or otherwise rejects its obligations under this Contract; or (c) fails to make progress in performance so as to endanger timely and proper completion of services or delivery of goods under this Contract; provided, however, that if any failure or breach under the foregoing (a) through (c) is curable, Buyer will provide Seller an opportunity to cure within a commercially reasonable period of time under the circumstances, in no case exceeding 10 days after Buyer provides notice of the failure or breach to Seller. In addition, Buyer may terminate this Contract upon giving at least 60 days' notice to Seller, without liability to Seller, if a direct or indirect change in control or ownership of Seller occurs without Buyer's prior written consent.

### 34. TERMINATION FOR CONVENIENCE



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In addition to any other rights of Buyer to terminate this Contract, Buyer may, at its option, terminate all or any part of this Contract before the expiration date set forth in this Contract, at any time and for any reason, by giving written notice to Seller. In the event Buyer exercises its right to terminate for convenience under this Section, Buyer will pay to Seller only the following amounts, without duplication: (a) the contract price for all goods and services that have been completed in accordance with this Contract and not previously paid for; and (b) the actual costs of work-in-process and raw materials incurred by Seller in furnishing the goods or services under this Contract, to the extent such costs are reasonable in amount and are properly allocable or apportionable under generally accepted accounting principles to the terminated portion of this Contract; less, however, the sum of the reasonable value or cost (whichever is higher) of any goods or materials used or sold by Seller with Buyer's written consent and the cost of any damaged or destroyed goods or material. Seller will promptly make available for delivery to Buyer, as specified by Buyer, any goods completed but not delivered as of the time of Buyer's termination hereunder. Any request for payment submitted to Buyer under this Section must include sufficient supporting data to permit an audit by Buyer, including, without limitation, such supplemental and supporting information as Buyer may request. Any request for payment under this Section must be in writing and include, without limitation, a statement setting forth the contract price for the goods or services, invoices reflecting the actual cost of work-in-process and raw materials, the basis for the allocation of such costs to the terminated portion of this Contract, and any other supporting documentation reasonably requested by Buyer. Any amount otherwise due to Seller pursuant to this Section will be reduced by any amount owed by Seller to Buyer under this Contract or otherwise. Any payment under this Section will not be deemed a waiver of any of Buyer's other rights arising under this Contract or applicable law. Notwithstanding any other provision of this Contract, Buyer will make no payments under this Section for finished goods, services, work-in-process or raw materials fabricated or procured by Seller in amounts in excess of those authorized in Buyer's delivery schedules or any undelivered goods that are in Seller's standard stock or that are readily marketable. Further, any payments made under this Section will not exceed the aggregate price payable by Buyer for finished goods or services that would have been produced or performed by Seller under Buyer's delivery schedules outstanding at the date of termination. Except as expressly provided in this Section, Buyer will not be liable for and will not be required to make payments to Seller, directly or on account of claims by Seller's subcontractors, for loss of anticipated profit, overhead, interest on claims, facilities and equipment rearrangement costs or rental, unamortized depreciation costs, or general and administrative burden charges from termination of this Contract. The payment specified in this Section is Seller's sole remedy for termination of this Contract under this Section.

**35. GOVERNING LAW AND JURISDICTION**

This Contract and any claims relating to the goods or services provided under this Contract will be governed by the laws of the country (and state/province, if applicable) of Buyer's location as shown by the address of Buyer as set forth in this Contract ("Buyer's Location"), excluding the provisions of the United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980), as amended, and any conflict of law provisions that would require application of another choice of law.

Any action or proceedings by Buyer against Seller may be brought by Buyer in any court(s) having jurisdiction over Seller or, at Buyer's option, in the court(s) having jurisdiction over Buyer's Location, in which event Seller consents to such jurisdiction and service of process in accordance with applicable procedures. Any actions or proceedings by Seller against Buyer may be brought by Seller only in the court(s) having jurisdiction over Buyer's Location.

**36. NO WAIVER**

The failure of either party at any time to require performance by the other party of any provision of this Contract will



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in no way affect the right to require such performance at any time thereafter, nor will the waiver of either party of a breach of any provision of this Contract constitute a waiver of any succeeding breach of the same or any other provision.

**37. NON-ASSIGNMENT**

Under no circumstances may Seller transfer, assign or delegate, in whole or in part, any of its rights or obligations under this Contract (including, without limitation, any right of payment), whether directly or indirectly, by merger, acquisition or contribution to a joint venture, without Buyer's prior written consent.

**38. NATURE OF THE RELATIONSHIP OF PARTIES**

Seller and Buyer are independent contracting parties and nothing in this Contract will make either party the agent or legal representative of the other for any purpose whatsoever, nor does it grant either party any authority to assume or to create any obligation on behalf of or in the name of the other.

**39. SEVERABILITY**

If any term of this Contract is invalid or unenforceable under applicable law or regulation, such term will be deemed reformed or deleted, as the case may be, but only to the extent necessary to comply with such applicable law or regulation, and the remaining provisions of this Contract will remain in full force and effect.

February 2014

**Special Terms and Conditions**

**INVOICES FOR TOOLING CONTRACTS**

Invoices are required for payment of all tooling contracts. Invoices for tooling may be submitted only after full production sample approval has been received and all such invoices must be accompanied by the following:

A copy of the applicable tooling contract(s), a copy of the approved sample part inspection reports(s), and Seller's input of tooling information into the tool management module located in Supply Power "Enterprise: SAP Vendor Tooling". To ensure proper payment processing, your invoice for tooling contracts must be submitted to:

GM Disbursements Services  
Indirect Invoice Processing  
PO Box 982268

El Paso, Texas 79998-2268  
Email: (Preferred) eSAP\_AP\_US@gm.com

**TOOLING COST REIMBURSEMENT**

Buyer shall reimburse Seller the lesser of



**General Motors LLC**

**Purchase Contract - Spot Buy-Tooling**

Purchase Contract #: 4700021739

Amendment: 0

(i) the amount specified in this contract, or  
(ii) Seller's actual costs for purchased materials and services (including purchased tooling or portions thereof), plus Seller's actual direct cost for labor and overhead typically associated with tool construction. Seller shall establish a reasonable accounting system that readily enables the identification of Seller's cost. Buyer or its agents shall have the right to audit and examine all books, records, facilities, work, material, inventories and other items relating to any claim of Seller for tooling.

**Commodity Specific Terms and Conditions**

N/A

# **APPENDIX 8**

BionX International

Optimus Program

**Outstanding Payments to BionX**

**Beta Program (CAD) (PO No 4399237222)**

| <b>Invoice</b>          | <b>Amount *</b>     | <b>Comments</b>                                                      |
|-------------------------|---------------------|----------------------------------------------------------------------|
| Invoice 19 (SI026642)   | 396,755             | Invoiced 12/01/17                                                    |
| Invoice 20 (SI026643)   | 418,019             | Invoiced 12/01/17                                                    |
| Invoice 21 (SI026688)   | 43,230              | Invoiced 12/22/17                                                    |
| Invoice 22 (SI026990)   | 285,167             | Invoiced 02/16/18                                                    |
| Invoice 23 (SI026991)   | 216,526             | Invoiced 02/16/18                                                    |
| Invoice 24 +            | 200,000             | Approximate. TBD -- Incl \$88K for final payment for Full Bike Stand |
| <b>Total Beta (CAD)</b> | <b>\$ 1,559,697</b> |                                                                      |

\* Includes GST/HST

**Gamma Program (USD) (PO 4300554647)**

| <b>Invoice</b>           | <b>Amount</b>     | <b>Comments</b>               |
|--------------------------|-------------------|-------------------------------|
| Gamma 1                  | 336,458           | 45 Drive Units, 15 Batteries. |
| Gamma 2                  | 477,425           | 65 Drive Units.               |
| <b>Total Gamma (USD)</b> | <b>\$ 813,883</b> |                               |

Payable upon receipt -- approved by GM on December, 2017

**Production Tooling (USD) (PO 4700021739)**

| <b>Invoice</b>                                     | <b>Amount</b>     | <b>Comments</b>                                                      |
|----------------------------------------------------|-------------------|----------------------------------------------------------------------|
| 1810 R6 Rev 4 (Revised from PO, originally \$701K) | \$ 872,567        | Payable at time of PPAP, originally planned for end of January, 2018 |
| <b>Total Production Tooling (USD)</b>              | <b>\$ 872,567</b> |                                                                      |

**Production Parts (CAD) (PO 4300557102)**

|                                                       |                   |
|-------------------------------------------------------|-------------------|
| In house or in transit. Ownership has passed to BionX | <b>\$ 457,992</b> |
|-------------------------------------------------------|-------------------|

**End of Line Tester (CAD)**

|                                                                                            |                   |                                                                                |
|--------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------|
| Originally purchased by BionX but now GM has requested to purchase as part of the transfer | <b>\$ 317,482</b> | Tester is partially built but final build has been put on hold pending payment |
|--------------------------------------------------------------------------------------------|-------------------|--------------------------------------------------------------------------------|

# **APPENDIX 9**

Mark Fischer  
Director, GPSC Finance  
29755 Louis Chevrolet Rd.  
Warren, MI 48093  
mark.w.fischer@gm.com

**SENT VIA ELECTRONIC MAIL**

February 1, 2018

Fred Gingl  
BionX Canada Inc.  
455 Magna Drive  
Aurora, Ontario L4G 7A9

**Subject: *Notice of Default***

Dear Fred:

Among other agreements between General Motors of Canada Company ("GM") and BionX Canada Inc. ("BionX"), GM has issued, and BionX has accepted GM purchase contract 4300557102 with an issue date of September 22, 2017 (collectively with the Terms and Conditions (the "Terms") appended thereto, the Statement of Requirements and all other documents contained within GM's Request for Proposal, the "Purchase Contract"). All agreements between GM and BionX related to GM's E-Bike project are collectively referred to herein as the "E-Bike Agreements".

The Purchase Contract is a spot buy for 8,000 motor, charger and battery assemblies to be incorporated into GM's E-Bike system (the "Parts"). The Purchase Contract was issued specifically at your request with your assurance that this was all that BionX required to start and conclude production of the Parts pursuant to the required delivery schedule. These assurances are in addition to your written and oral assurances at the commencement of the business discussions between BionX and GM that BionX had the capabilities and Magna support sufficient to perform under the E-Bike related agreements. These representations are patently untrue. BionX is unwilling or unable to complete their obligations under the Purchase Contract.

BionX has incurred performance issues from the commencement of the relationship requiring extensive GM engineering, operational and quality support not contemplated or required by the E-Bike Agreements. Recently, BionX informed GM that it would not be able to commence building the Parts without significant financial accommodations by GM. GM declines to provide the requested accommodations. For the reasons listed below, this letter is notice to BionX that it is in material default of the Purchase Contract, while reserving all rights related to the other E-Bike Agreements at this time.

The production schedules issued pursuant to the Purchase Contract were revised multiple times due to BionX's failure to be production ready on schedule. The latest schedule required delivery of production Parts commencing on February 1, 2018. Pursuant to Section 3 of the Terms, "[t]ime is of the essence, and deliveries shall be made both in quantities and at times specified in [GM's] schedules". BionX has not timely commenced production and has admitted via your January 19, 2018 e-mail to Ian Scott, that BionX is unable to commence production or meet GM's delivery requirements.

BionX is insolvent as it is unable to pay its debts as they become due. BionX's insolvency is cause for termination of the Purchase Contract pursuant to Section 11 of the Terms. BionX has notified its suppliers that it will not be able to fully pay its obligations, and has actually failed to, pay its debts to the suppliers as

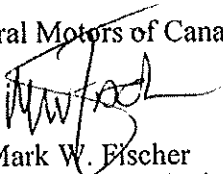
they become due. As a result many of BionX's suppliers have stopped shipments to BionX of critical components. In addition to evidence of insolvency, this is further evidence that BionX will continue to be unable to timely meet the Purchase Contract delivery requirements.

Based on the foregoing, GM requested adequate assurance of future performance via a parental performance guaranty or other assurance that BionX will be adequately funded and be able to perform its obligations. BionX has refused to provide such assurances and responded with a repeated demand for significant accommodations from GM.

GM is entitled to immediately terminate the Purchase Contract on account of BionX's insolvency. Moreover, in the unlikely event that BionX is not insolvent, GM is entitled to terminate the Purchase Contract based on BionX's failure to progress and failure to perform, each of which constitute a material default.

GM does not waive or intend to waive any claims, rights, remedies or defaults not specifically mentioned in this letter, concerning the E-Bike Agreements or other claims GM may have. The material breaches by BionX referenced herein, with respect to the Purchase Contract, are not intended to be exhaustive. Further GM reserves all rights and remedies available to it, including its right of Setoff pursuant to Section 23 of the Terms.

General Motors of Canada Company



By: Mark W. Fischer  
Director, GPSC Finance





## SPEIGEL NICHOLS FOX LLP

· BARRISTERS & SOLICITORS ·

direct extension 229  
kim@ontlaw.com

### VIA EMAIL

February 23, 2018

Fred Gingl  
BionX Canada Inc.  
455 Magna Dr.  
Aurora, Ontario L4G 7A9  
[fgingl@bionx.com](mailto:fgingl@bionx.com)

Dear Mr. Gingl:

Re: Notice of Termination of Purchase Orders 4300237222, 4300557102, 4700021739,  
4300554647 and Demand for Removal of GM Property

---

We are legal counsel to General Motors LLC and General Motors of Canada Company (collectively "GM").

We refer to the letter of February 1, 2018, (the "Default Letter") in which GM notified BionX Canada Inc. ("BionX") that it was in default of its performance obligations to GM. In addition, We refer to GM's purchase order numbers 4300237222, 4300557102, 4700021739, 4300554647 (collectively, with their respective GM General Terms and Conditions (the "General Terms"), Statements of Work, and all other documents contained within their respective Request for Proposal packages, the "E-Bike Contracts").

The Default Letter details how BionX is in default of its contractual obligations to GM under Sections 3 and 11 of the General Terms and demands that BionX give adequate assurance of its ability to perform under the E-Bike Contracts.

Despite delivery of the Default Letter, BionX has failed to cure any of its defaults under the E-Bike Contracts. On the contrary, BionX has discontinued performance of work under the E-Bike Contracts, continued to fail to pay its debts to its supply base, and instructed certain Tier 2 suppliers to stop performing. Further, BionX in its February 16, 2018 correspondence admits to GM that it will not perform under the E-Bike Contracts. Accordingly, this letter is written notice that the E-Bike Contracts are terminated due to the BionX defaults.

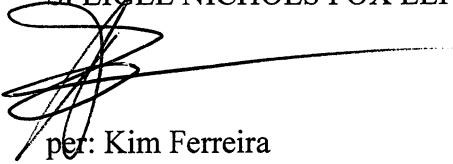
In addition, this letter is written demand for BionX to turn over all GM-owned tooling and property listed on the attached Schedule A, together with all fixtures, accessions, attachments, accessories, and appurtenances thereto, including benches (collectively, the "GM Property"). GM's

records indicate that BionX has not yet completed certain other equipment and tooling under GM Purchase Orders and GM reserves all of its rights regarding the same.

Pursuant to Section 19 of the General Terms, BionX is obligated to immediately deliver the GM Property to GM. This letter is written notice that GM and GM's transportation providers shall appear at BionX's premises commencing on Monday, February 26, 2018 at 8:00 a.m. to remove the GM Property, and GM expects full cooperation from BionX pursuant to its contractual obligations. We ask that you confirm that BionX will comply with its contractual obligations under the General Terms and facilitate GM's removal of the GM Property from BionX's and its associated facilities.

Nothing in this letter is intended to, and this letter does not, waive any rights, remedies, causes of action, or defenses of GM under the E-Bike Contracts, or otherwise applicable law, all of which are expressly reserved.

Yours very truly,  
SPEIGEL NICHOLS FOX LLP

A handwritten signature in black ink, appearing to be "Kim Ferreira", with a long horizontal line extending to the right.

per: Kim Ferreira  
KGF:no  
Encl

cc: Mark Fischer  
Aaron Silver

# **APPENDIX 10**

---

**From:** Kim Ferreira <kim@ontlaw.com>  
**Sent:** Sunday, February 25, 2018 9:08 PM  
**To:** Dietrich, Jane; Steven Weisz  
**Cc:** Creber, Michael; Knight, Jason; Yasmine Orab; Timothy Morgan; Caitlin Fell; fgingl@bionx.com; James Grout  
**Subject:** RE: BionX Canada Inc. and General Motors LLC et al.

Steve and Jane,

Your understanding is correct. GM will attend at BionX tomorrow morning at 8 a.m. to meet with BionX's representatives to review and take an accounting of GM's Tooling and Equipment.

Thank you,

Kim

-----Original Message-----

From: Dietrich, Jane [mailto:jdietrich@casselsbrock.com]  
Sent: Sunday, February 25, 2018 7:43 PM  
To: Steven Weisz <sweisz@btzlaw.ca>  
Cc: Kim Ferreira <kim@ontlaw.com>; Michael.Creber@ca.gt.com; Jason.Knight@ca.gt.com; Yasmine Orab <yasmineo@ontlaw.com>; Timothy Morgan <timothy@ontlaw.com>; Caitlin Fell <cfell@btzlaw.ca>; fgingl@bionx.com  
Subject: Re: BionX Canada Inc. and General Motors LLC et al.

Kim - Steve accurately reflects my understanding as well - that BionX and GM have made arrangements for an inspection tomorrow morning.

Jane

> On Feb 25, 2018, at 7:38 PM, Steven Weisz <sweisz@btzlaw.ca> wrote:

>

> Good evening Kim

>

> As you know we are counsel to the proposed receiver Grant Thornton Limited. The application for the appointment of Grant Thornton Limited as court appointed receiver of the BionX is scheduled to be heard on Tuesday, February 27, 2018. We understand that arrangements have made between your client and BionX for your client to attend the premises tomorrow to look at the tooling and equipment your client claims is its property, but not touch or label anything. I am advised that Jane Dietrich, who is copied, will confirm the accuracy of my understanding.

>

> Thanks,

> Steve

>

>

> Steve Weisz

> Partner

> Brauti Thorning Zibarras LLP

> Phone: 416-304-6522

> Mobile: 647-295-2616

>

>

>

> On Feb 24, 2018, at 8:25 PM, Kim Ferreira <kim@ontlaw.com<mailto:kim@ontlaw.com>> wrote:

>

> Michael and Jason,

>

> We are legal counsel to General Motors LLC and General Motors Company of Canada (collectively "GM").

>

> We are in receipt of the application record (the "Application Record") appointing Grant Thornton LLP receiver ("Receiver") of BionX Canada Inc. ("BionX"). As outlined in the Application Record, BionX previously contracted with GM to supply and manufacture motor assembly drive units (the "Drive Units") for GM. The contractual relationship between GM and BionX is governed by GM's purchase orders and the corresponding terms and conditions (the "Terms and Conditions"). In order for BionX to manufacture the Drive Units, GM supplied it with certain tooling and equipment (the "Tooling and Equipment"). The Terms and Conditions, at Section 22, provide that the Tooling and Equipment is the sole property of GM and that GM can demand and BionX is obligated to deliver up the Tooling and Equipment to GM.

>

> As you are further aware, by January of 2018, BionX began to default on its contractual obligations to GM and, accordingly, on February 1, 2018, GM requested that BionX remedy the defaults.

>

> On February 23, 2018, GM sent a letter (the "Termination Letter") to BionX (copy enclosed) advising, among other things, that because of BionX's failure to remedy its defaults that GM was terminating its contractual relationship with BionX and that GM would be attending on Monday, February 26, 2018, at the premises of BionX to recover its Tooling and Equipment.

>

> Following delivery of the Termination Letter, BionX wrote an email acknowledging that the Tooling and Equipment remained the property of GM, but that it required additional time to determine if any amounts remain outstanding. Following receipt of the email, we received notice of the Application Record. Pursuant to section 11 of the Terms and Conditions, upon the appointment of a Receiver over BionX, GM is permitted to terminate its contractual relationship with BionX without further liability to BionX.

>

> We are now writing to you, in your capacity as the Receiver of BionX, to repeat GM's request to be permitted access on Monday, February 26, 2018, to the BionX facilities, and those of Magna Closures facilities, where GM's Tooling and Equipment are being stored. GM will agree that the sole purpose of its February 26, 2018 access is to account for the Tooling and Equipment, but not to remove it. Subject to your agreement, following GM's completion of its review and accounting of the Tooling and Equipment, we will organize with you a date during the week of February 26th for the organized removal of the Tooling and Equipment by GM.

>

> GM is also ready to verify what Tooling and Equipment has been fully paid (such items are reflected in the Termination Letter.) As to Tooling and Equipment for which amounts remains outstanding, GM is further prepared to pay the unpaid balance of the purchase order price into Court prior to GM's removal of the Tooling and Equipment.

>

> In the event that you are not agreeable to GM's request, then we have instructions to attend on Tuesday, February 27, 2018, at the return of the Application to appoint your firm Receiver, to seek an Order from the Court to allow GM access to BionX's premises for the removal of the Tooling and Equipment consistent with the terms outlined above.

>

> GM retains and does not waive any rights and remedies that are available to GM under applicable law.

>

> Please advise if you want to have a brief call to discuss or if you require anything further from GM.

>

> Thank you,

>

> Kim Ferreira  
>  
> <image001.png>  
> Spiegel Nichols Fox LLP  
> Tel: 905.366.9700 ext. 229  
> Fax: 905.366.9707  
> 30 Eglinton Ave W., Suite 400  
> Mississauga, ON L5R 3E7  
> <https://protect-eu.mimecast.com/s/vHLaC2kqspk0WVCnMH3I?domain=ontlaw.com>  
>  
> NOTICE  
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>  
> <Feb. 23, 2018 - Ltr to BionX Canada Inc..pdf>

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# **APPENDIX 11**

SCHEDULE "A"

| GM Owned Manufacturing Tools PO# #4300237222 SODW Defined: Section 11 |                                          |     |                |          |              |              |
|-----------------------------------------------------------------------|------------------------------------------|-----|----------------|----------|--------------|--------------|
| Tool Number                                                           | Tool Name                                | Qty | Invoice Number | Location | Invoice Date | Payment Date |
| OPTT000027                                                            | Stator Gluing Fixture                    | 60  | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000001                                                            | Sun gear holding fixture                 | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000002                                                            | Magnet holding fixture                   | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000004                                                            | Magnet holding tool                      | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000006                                                            | Magnet seat tool                         | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
|                                                                       | Gauss Meter                              | 1   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    |
|                                                                       | degauss machine                          | 1   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    |
| OPTT000012                                                            | Grease trap locating fixture             | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000013                                                            | Grease trap, bearing and spacer locating | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000014                                                            | Grease trap coining tool 1               | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000034                                                            | Grease trap coining tool 2               | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    |
| OPTT000008                                                            | Pin locating fixture                     | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000010                                                            | Pin adjustment tool                      | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000011                                                            | Rivet Gun                                | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000031                                                            | nest for planet carrier                  | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000032                                                            | pressing tool, planet carrier            | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000017                                                            | Nest Output Shaft                        | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000018                                                            | Press Tool Output Shaft                  | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000023                                                            | Nest RHH                                 | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000024                                                            | Tool RHH                                 | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000020                                                            | Clutch race adapter bearing Nest         | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000021                                                            | Clutch race adapter bearing tool         | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000036                                                            | Torque Flange Fixture                    | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| no tool numbers                                                       | Press operation 1                        | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| no tool numbers                                                       | Press operation 2                        | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| no tool numbers                                                       | Press operation 3                        | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000051                                                            | LHH Seat fixture                         | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    |
| OPTT000026                                                            | Fixture                                  | 1   | SI023415 (P13) | BionX    | 10-May-17    | 06-Jun-17    |
| OPPT000037                                                            | Arbor press inverter cover               | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    |
| OPTT000019                                                            | Plug arbor press                         | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    |

|                                                                                |                                    |   |                |       |           |           |
|--------------------------------------------------------------------------------|------------------------------------|---|----------------|-------|-----------|-----------|
| OPTT000040                                                                     | side cutter                        | 1 | SI022804 (P10) | BionX | 03-Mar-17 | 18-Apr-17 |
| OPTT000043                                                                     | pliers                             | 1 | SI022804 (P10) | BionX | 03-Mar-17 | 18-Apr-17 |
| TG-10                                                                          | Torque Gun (Delta Regis)           | 1 | SI025191 (P14) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000045                                                                     | Die Press Tool Sun gear            | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000046                                                                     | Die Press Tool pool ring           | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000047                                                                     | Clip ring tool 1 lower sun gear    | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000048                                                                     | Clipping tool 2 upper sun gear     | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000049                                                                     | Clipping tool 3 crank shaft        | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000052                                                                     | Fixture seal grease barrier        | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000053                                                                     | Clip ring tool 4                   | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTT000033                                                                     | Torque Tube Fixture                | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTT000028                                                                     | Final assembly merging tool        | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTT000029                                                                     | Alignment pins                     | 6 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTT000030                                                                     | motor final ASSY fixture           | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTT000054                                                                     | Motor torque holding jig           | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
|                                                                                | Torque Wrench                      | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
|                                                                                | Pole Assembly with heat stake post | 1 | SI022804 (P10) | BionX | 03-Mar-17 | 18-Apr-17 |
| OPTA000008 - Pole Assembly with heat stake post winding samples                |                                    | 1 | SI023415 (P13) | BionX | 10-May-17 | 06-Jun-17 |
| OPTC0000227 - 3M tape sheet - tooling                                          |                                    | 1 | SI025191 (P14) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTA000203 holding /machining fixture to manufacture                           |                                    | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| Misc. Parts - e.g. Crimpers, Spacers, Standoffs, Screws, Cables, Headers, etc. |                                    | 1 | SI022804 (P10) | BionX | 03-Mar-17 | 18-Apr-17 |
| OPTC0000244, 054 - Machining of mounting plate & Inverter cover one of each    |                                    | 1 | SI023415 (P13) | BionX | 10-May-17 | 06-Jun-17 |
| GM motor stator glue setting fixture                                           |                                    | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                |                                    | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTC000094 - teflon plate for beta                                             |                                    | 1 | SI025191 (P14) | BionX | 31-Aug-17 | 19-Sep-17 |
| Tooling stator epoxy fixture                                                   |                                    | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |

|                                                                                                                                                                    |   |                |       |           |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------|-------|-----------|-----------|
| Misc. items: Inner/Outer Tube, Aluminum base stripped pin, washer skating tool                                                                                     | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTC000410 Grease shield - stator                                                                                                                                  | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 |
| OPTC000406 mounting plate, OPTC000407 mounting ring                                                                                                                | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                                                                                                    | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| Female socket connector, thermal liquid gap filler, mixing nozzles & cartages                                                                                      | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| OPTC000038 DC Gaussmeter model HS#582 - torque tube                                                                                                                | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 |
| OPTA000014 pin alignment tool - carrier                                                                                                                            | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| crank seal and spline block                                                                                                                                        | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 |
| OPTC000027, OPTC000032, OPTC000372 machining socket tool, aluminum ring isolator & LH housing                                                                      | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |
| OPTC000027 modify ring fixture and 3 pcs of ring                                                                                                                   | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| adhesive mounting base, anodized aluminum, 4-40 integral stud                                                                                                      | 1 | SI025191 (P14) | BionX | 31-Aug-17 | 19-Sep-17 |
| Hard anodizing of fixture cap                                                                                                                                      | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| OPTC000383 rotor shaft, OPTC000360 base plate, OPTC000368 post                                                                                                     | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| stator shipping disk                                                                                                                                               | 1 | SI023415 (P13) | BionX | 10-May-17 | 06-Jun-17 |
| OPTC000412 Trap holder                                                                                                                                             | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 |
| Flexible shaft coupling iron hub with set screw                                                                                                                    | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |

|                                                                                                                                               |   |                |       |           |           |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---|----------------|-------|-----------|-----------|
| Misc. Parts - e.g. Embedded Evaluation Board, Heat shrink tube, led panel indicator, debugger, crimp pin/sockets, electronic components, etc. | 1 | SI023414 (P12) | BionX | 10-May-17 | 06-Jun-17 |
| Scriber for hardened steel & stainless steel straight retractable tip                                                                         | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 |
| OPTA000006 stator weld fixture                                                                                                                | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| Modify dyno adapter as per instructions, machine counterbores and grind                                                                       | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 |
| crimp term male                                                                                                                               | 1 | SI022306 (P8)  | BionX | 20-Dec-16 | 31-Jan-17 |
| OPTC000024, OPTC000059, OPTA000203 misc including torque sensing tooling, wrench strap set, deep groove ball bearing, manual syringe kit      | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 |

## BETA ED&D PURCHAS CONTRACT - SPOT BUY PO #4300237222

### Dedicated GM Equipment & Tools / BETA tools (Line Item 5000410)

**GM Owned Tooling  
(pick up)**

| EQUIPMENT COMPLETED AND PAID FOR:                          | Qty | Invoice Number | Location | Invoice Date | Payment Date |
|------------------------------------------------------------|-----|----------------|----------|--------------|--------------|
| Battery Testers                                            | 12  | SI022804 (P10) | Magna    | 03-Mar-17    | 18-Apr-17    |
| NVH Booth for Analysis [recording and measuring equipment] | 1   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    |
| Testers: [RG Shelley Propulsion System Testers]            |     |                |          |              |              |
| Drive Unit Dyno                                            | 1   | SI026642 (P7)  | Magna    | 28-Oct-16    | 06-Dec-16    |
| Drive Unit Dyno Transformer                                | 1   | SI023414 (P12) | Magna    | 10-May-17    | 06-Jun-17    |
| Motor Dyno Test Stand                                      | 1   | SI026642 (P7)  | Magna    | 28-Oct-16    | 06-Dec-16    |
|                                                            |     | SI022805 (P11) | Magna    | 06-Mar-17    | 18-Apr-17    |
|                                                            |     | SI022805 (P11) | Magna    | 06-Mar-17    | 18-Apr-17    |
|                                                            |     | SI023415 (P13) | Magna    | 10-May-17    | 06-Jun-17    |
|                                                            |     | SI022306 (P8)  | Magna    | 20-Dec-16    | 31-Jan-17    |
| Prop Durability Tester                                     | 1   | SI022804 (P10) | Magna    | 03-Mar-17    | 18-Apr-17    |
|                                                            |     | SI025192 (P15) | Magna    | 31-Aug-17    | 19-Sep-17    |
|                                                            |     | SI022306 (P8)  | Magna    | 20-Dec-16    | 31-Jan-17    |
| Motor Durability Tester #1                                 | 1   | SI022804 (P10) | Magna    | 03-Mar-17    | 18-Apr-17    |
|                                                            |     | SI022805 (P11) | Magna    | 06-Mar-17    | 18-Apr-17    |
| Transformer                                                | 1   | SI025192 (P15) | Magna    | 31-Aug-17    | 19-Sep-17    |
| Transformer for Optimus Dyno                               | 1   | SI022804 (P10) | Magna    | 03-Mar-17    | 18-Apr-17    |
| Encoder                                                    | 1   | SI025192 (P15) | Magna    | 31-Aug-17    | 19-Sep-17    |
|                                                            |     | SI022805 (P11) | Magna    | 06-Mar-17    | 18-Apr-17    |
| Power Supply Motor Test Dyno                               | 1   | SI022805 (P11) | Magna    | 06-Mar-17    | 18-Apr-17    |

### Material Cost Pass Through (Line Item 5000210)

|                                           | Qty | Invoice                          | Location | Invoice Date                        | Payment Date |
|-------------------------------------------|-----|----------------------------------|----------|-------------------------------------|--------------|
| Drive Unit tear downs                     | 9   | SI019473 (P1) -<br>SI021722 (P7) | BionX    | Spending from April 2016 ~ Dec 2016 |              |
| Competitive Bikes                         |     |                                  |          |                                     |              |
| Bosch Test Units instrumented for testing | 5   | SI025517 (P16)                   | BionX    | 14-Sep-17                           | 12-Dec-17    |
| Gear Test Rig                             | 1   | SI023415 (P13)                   | BionX    | 10-May-17                           | 06-Jun-17    |

**BETA ED&D PURCHAES CONTRACT - SPOT BUY PO #4300237222**

| <u>Dedicated GM Equipment &amp; Tools / BETA tools (Line Item 5000410)</u> |     | GM Owned Tooling<br>(pick up) |          |              |              |
|----------------------------------------------------------------------------|-----|-------------------------------|----------|--------------|--------------|
| EQUIPMENT COMPLETED AND PAID FOR:                                          | Qty | Invoice Number                | Location | Invoice Date | Payment Date |
| Battery Testers                                                            | 12  | SI022804 (P10)                | Magna    | 03-Mar-17    | 18-Apr-17    |
| NVH Booth for Analysis [recording and measuring equipment]                 | 1   | SI026114 (P18)                | BionX    | 31-Oct-17    | 12-Dec-17    |
| Testers: [RG Shelley Propulsion System Testers]                            |     |                               |          |              |              |
| Drive Unit Dyno                                                            | 1   | SI026642 (P7)                 | Magna    | 28-Oct-16    | 06-Dec-16    |
| Drive Unit Dyno Transformer                                                | 1   | SI023414 (P12)                | Magna    | 10-May-17    | 06-Jun-17    |
| Motor Dyno Test Stand                                                      | 1   | SI026642 (P7)                 | Magna    | 28-Oct-16    | 06-Dec-16    |
|                                                                            |     | SI022805 (P11)                | Magna    | 06-Mar-17    | 18-Apr-17    |
|                                                                            |     | SI022805 (P11)                | Magna    | 06-Mar-17    | 18-Apr-17    |
|                                                                            |     | SI023415 (P13)                | Magna    | 10-May-17    | 06-Jun-17    |
| Prop Durability Tester                                                     | 1   | SI022306 (P8)                 | Magna    | 20-Dec-16    | 31-Jan-17    |
|                                                                            |     | SI022804 (P10)                | Magna    | 03-Mar-17    | 18-Apr-17    |
|                                                                            |     | SI025192 (P15)                | Magna    | 31-Aug-17    | 19-Sep-17    |
| Motor Durability Tester #1                                                 | 1   | SI022306 (P8)                 | Magna    | 20-Dec-16    | 31-Jan-17    |
|                                                                            |     | SI022804 (P10)                | Magna    | 03-Mar-17    | 18-Apr-17    |
| Transformer                                                                | 1   | SI022805 (P11)                | Magna    | 06-Mar-17    | 18-Apr-17    |
| Transformer for Optimus Dyno                                               | 1   | SI025192 (P15)                | Magna    | 31-Aug-17    | 19-Sep-17    |
| Encoder                                                                    | 1   | SI022804 (P10)                | Magna    | 03-Mar-17    | 18-Apr-17    |
|                                                                            |     | SI025192 (P15)                | Magna    | 31-Aug-17    | 19-Sep-17    |
| Power Supply Motor Test Dyno                                               | 1   | SI022805 (P11)                | Magna    | 06-Mar-17    | 18-Apr-17    |
| <u>Material Cost Pass Through (Line Item 5000210)</u>                      |     |                               |          |              |              |

|                                                                                                                                                                                 | Qty | Invoice                       | Location | Invoice Date                        | Payment Date |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-------------------------------|----------|-------------------------------------|--------------|
| Drive Unit tear downs                                                                                                                                                           | 9   | SI019473 (P1) - SI021722 (P7) | BionX    | Spending from April 2016 ~ Dec 2016 |              |
| Competitive Bikes                                                                                                                                                               |     |                               |          |                                     |              |
| Bosch Test Units instrumented for testing                                                                                                                                       | 5   | SI025517 (P16)                | BionX    | 14-Sep-17                           | 12-Dec-17    |
| Gear Test Rig                                                                                                                                                                   | 1   | SI023415 (P13)                | BionX    | 10-May-17                           | 06-Jun-17    |
| Yokogawa Precision Power Analyzer                                                                                                                                               | 1   | SI022307 (P9)                 | BionX    | 20-Dec-16                           | 31-Jan-17    |
| Power Supplies - Lagen 50-30-LAN (test equipment)                                                                                                                               | 1   | SI022804 (P10)                | BionX    | 03-Mar-17                           | 18-Apr-17    |
| Gear test rig                                                                                                                                                                   | 1   | SI023415 (P13)                | BionX    | 10-May-17                           | 06-Jun-17    |
| Dyno - environmental test assembly station                                                                                                                                      | 1   | SI025517 (P16)                | Magna    | 14-Sep-17                           | 12-Dec-17    |
| SLS models                                                                                                                                                                      | 1   | SI022805 (P11)                | BionX    | 06-Mar-17                           | 18-Apr-17    |
| Bosch bikes - (5) Cube Touring Hybride 400 Blue & Blue                                                                                                                          | 1   | SI025517 (P16)                | BionX    | 14-Sep-17                           | 12-Dec-17    |
| 10 samples of each cover including cost of coil                                                                                                                                 | 1   | SI022805 (P11)                | BionX    | 06-Mar-17                           | 18-Apr-17    |
| SLA model battery components                                                                                                                                                    | 1   | SI022307 (P9)                 | BionX    | 20-Dec-16                           | 31-Jan-17    |
| laser weld clamp fixture                                                                                                                                                        | 1   | SI023414 (P12)                | BionX    | 10-May-17                           | 06-Jun-17    |
| cells for testing                                                                                                                                                               | 1   | SI022805 (P11)                | BionX    | 06-Mar-17                           | 18-Apr-17    |
| Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks.             | 1   | SI025191 (P14)                | BionX    | 31-Aug-17                           | 19-Sep-17    |
| floating gear ring test                                                                                                                                                         | 1   | SI022804 (P10)                | BionX    | 03-Mar-17                           | 18-Apr-17    |
| OPTC000194, 195 - floating gear ring isolator for test                                                                                                                          | 1   | SI023414 (P12)                | BionX    | 10-May-17                           | 06-Jun-17    |
| OPTC000210 Can USB adaptor (7)                                                                                                                                                  | 1   | SI026114 (P18)                | BionX    | 31-Oct-17                           | 12-Dec-17    |
| miniature triaxial accelerometer                                                                                                                                                | 1   | SI023414 (P12)                | BionX    | 10-May-17                           | 06-Jun-17    |
| custom 8s3p PCC block                                                                                                                                                           | 1   | SI023415 (P13)                | BionX    | 10-May-17                           | 06-Jun-17    |
| OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                                                                                                                 | 1   | SI025517 (P16)                | BionX    | 14-Sep-17                           | 12-Dec-17    |
| OPTC000057 fixed ind, probe lead, IC driver half bridge, ferrite clip-on, test lead, ferrite core, TVS Diode, N-Channel, Mosfet, 12V regulator and diode, inverter & consulting | 1   | SI025517 (P16)                | BionX    | 14-Sep-17                           | 12-Dec-17    |
| connectors/MNF/bluetooth module                                                                                                                                                 | 1   | SI022804 (P10)                | BionX    | 03-Mar-17                           | 18-Apr-17    |
| Misc. items including: right angle pin, straight pin, connectors, multilayer ceramic                                                                                            | 1   | SI025191 (P14)                | BionX    | 31-Aug-17                           | 19-Sep-17    |
| (3) Can USB adaptors                                                                                                                                                            | 1   | SI022805 (P11)                | BionX    | 06-Mar-17                           | 18-Apr-17    |

|                                                                       |   |                               |       |                                     |           |
|-----------------------------------------------------------------------|---|-------------------------------|-------|-------------------------------------|-----------|
| BMX Singl Cassette Cogs Steel 15 Tooth, Sugino Track Chain Ring Black | 1 | SI025191 (P14)                | BionX | 31-Aug-17                           | 19-Sep-17 |
| OPTC0000289 - adapter stand - dyno showbike motor                     | 1 | SI023415 (P13)                | BionX | 10-May-17                           | 06-Jun-17 |
| CAN USB adaper includes drivers                                       | 1 | SI023414 (P12)                | BionX | 10-May-17                           | 06-Jun-17 |
| Misc items - Control cards with piccolo, debug probes                 | 1 | SI022804 (P10)                | BionX | 03-Mar-17                           | 18-Apr-17 |
| OPTA000003 Ultra-Linear Measurement Condenser Microphone Electronics  | 1 | SI026114 (P18)                | BionX | 31-Oct-17                           | 12-Dec-17 |
| Misc items - Control cards with piccolo, debug probes                 | 1 | SI022805 (P11)                | BionX | 06-Mar-17                           | 18-Apr-17 |
| OPTA000003 Phantom power supply                                       | 1 | SI026114 (P18)                | BionX | 31-Oct-17                           | 12-Dec-17 |
| BAC TTL Communication Harness                                         | 1 | SI026114 (P18)                | BionX | 31-Oct-17                           | 12-Dec-17 |
| flat cables                                                           | 1 | SI023415 (P13)                | BionX | 10-May-17                           | 06-Jun-17 |
| OPTA000003 Acoustical wedge foam panels                               | 1 | SI026114 (P18)                | BionX | 31-Oct-17                           | 12-Dec-17 |
| Premium phantom cables xlr female to bnc male unbalanced cable        | 1 | SI026114 (P18)                | BionX | 31-Oct-17                           | 12-Dec-17 |
| Ricardo units                                                         | 5 | SI019473 (P1) - SI021722 (P7) | BionX | Spending from April 2016 ~ Dec 2016 |           |

# **APPENDIX 12**

File : BionX Optimis Work Procedure  
Operation 30-C, Step 12  
OPTT000022



Current Location  
'Left Side of Table'



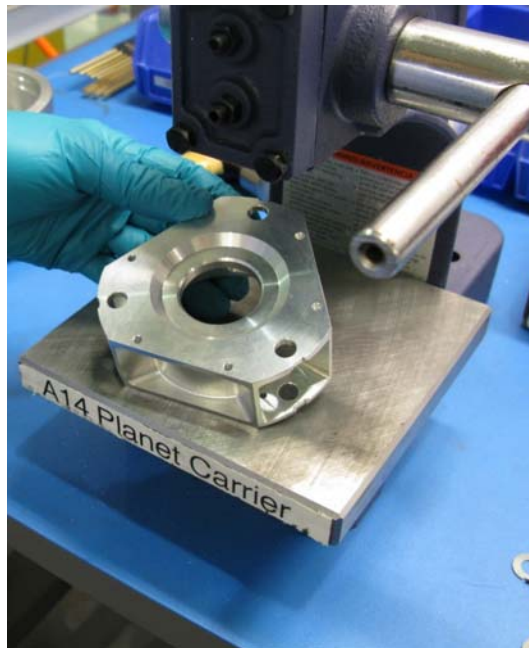
File : BionX Optimis Work Procedure  
Operation 40-A, Step 5  
OPTT000060



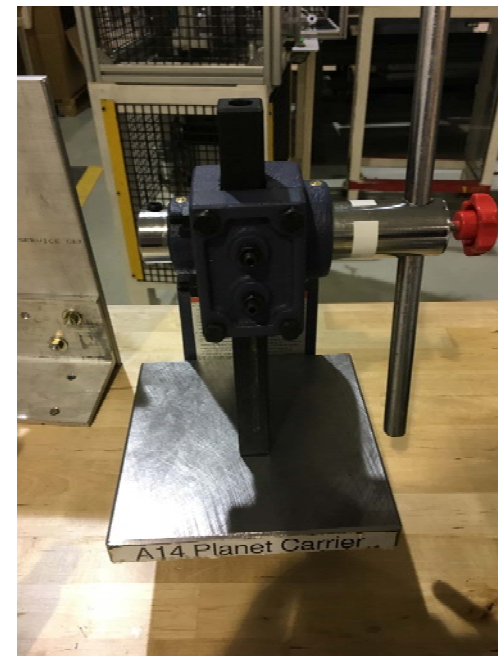
Current Location  
'Left Side of Table'



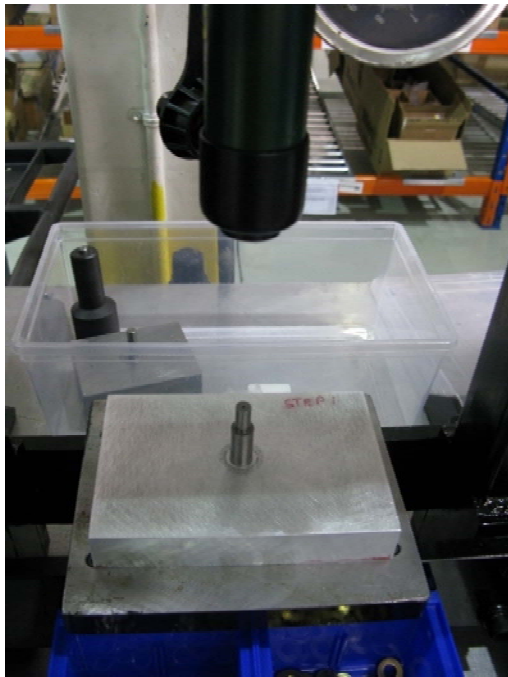
File : BionX Optimis Work Procedure  
Operation 20-B, Step 1



Current Location  
'Left Side of Table'



File : BionX Optimis Work Procedure  
Operation 20-A, Step 1



Current Location  
Production Line

File : BionX Optimis Work Procedure  
Operation 40-B, Step 5

Current Location  
Production Line



File : BionX Optimis Work Procedure  
Operation 50-A, Step 4

Current Location  
Production Line



# **APPENDIX 13**

**BETA ED&D PURCHASE CONTRACT - SPOT BUY PO #4300237222**

| Inventory |   | Dedicated GM Equipment & Tools / BETA tools (Line Item 5000410)                      |  |  |              | GM Owned Tooling<br>(pick up) |                             | All values<br>identified in<br>\$CAD |                      |                                             |
|-----------|---|--------------------------------------------------------------------------------------|--|--|--------------|-------------------------------|-----------------------------|--------------------------------------|----------------------|---------------------------------------------|
|           |   | EQUIPMENT COMPLETED AND PAID FOR:                                                    |  |  | Qty          | Invoice Number                | Location<br>(as of 02MAR18) | Invoice Date                         | Payment Date         | Balance<br>Remaining on<br>Supplier Invoice |
|           |   |                                                                                      |  |  |              |                               |                             |                                      |                      |                                             |
| A         | ✓ | Battery Testers                                                                      |  |  | 12           | SI022804 (P10)                | BionX                       | 03-Mar-17                            | 18-Apr-17            | -                                           |
|           |   | <del>NVH Booth for Analysis (recording and measuring equipment)</del> ITEMIZED BELOW |  |  | <del>4</del> | <del>SI026114 (P18)</del>     | <del>BionX</del>            | <del>31-Oct-17</del>                 | <del>12-Dec-17</del> | -                                           |
| B         | ✓ | Motor Dyno, Drive Unit Performance (In-House)<br>(Equipment Tag: Project #J5699-1)   |  |  | 1            | SI026642 (P7)                 | BionX                       | 28-Oct-16                            | 06-Dec-16            | -                                           |
|           |   |                                                                                      |  |  |              | SI022805 (P11)                |                             | 06-Mar-17                            | 18-Apr-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI023415 (P13)                |                             | 10-May-17                            | 06-Jun-17            | -                                           |
| C         | ✓ | Motor Dyno, Motor Performance (In-House)<br>(Equipment Tag: Project #J5699-2)        |  |  | 1            | SI026642 (P7)                 | BionX                       | 28-Oct-16                            | 06-Dec-16            | -                                           |
|           |   |                                                                                      |  |  |              | SI022306 (P8)                 |                             | 20-Dec-16                            | 31-Jan-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI025192 (P15)                |                             | 31-Aug-17                            | 19-Sep-17            | -                                           |
| D         | ✓ | Drive Unit Dyno (4 Unit Tester)                                                      |  |  | 1            | SI022306 (P8)                 | Magna                       | 20-Dec-16                            | 31-Jan-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI022804 (P10)                |                             | 03-Mar-17                            | 18-Apr-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI025541 (P17)                |                             | 15-Sep-17                            | 12-Dec-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI026642 (P19)                |                             | 22-Dec-17                            |                      | 24,000                                      |
| E         | ✓ | Motor Dyno (4 Unit Tester)                                                           |  |  | 1            | SI022804 (P10)                | Magna                       | 03-Mar-17                            | 18-Apr-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI025517 (P16)                |                             | 14-Sep-17                            | 12-Dec-17            | -                                           |
|           |   |                                                                                      |  |  |              | SI026642 (P19)                |                             | 22-Dec-17                            |                      | 44,975                                      |
|           | ✓ | Transformer on equipment                                                             |  |  | 1            | SI023414 (P12)                | Magna                       | 10-May-17                            | 06-Jun-17            | -                                           |
|           | ✓ | Transformer on durability test rig                                                   |  |  | 1            | SI022805 (P11)                | Magna                       | 06-Mar-17                            | 18-Apr-17            | -                                           |
|           | ✓ | Transformer for Optimus Dyno on Motor Dyne at Magna                                  |  |  | 1            | SI025192 (P15)                | BionX                       | 31-Aug-17                            | 19-Sep-17            | -                                           |
|           | ✓ | Encoder on equipment motor dyne                                                      |  |  | 3            | SI022804 (P10)                | Magna                       | 03-Mar-17                            | 18-Apr-17            | -                                           |
|           | ✓ | Encoder on equipment motor dyne                                                      |  |  | 2            | SI025192 (P15)                | BionX                       | 31-Aug-17                            | 19-Sep-17            | -                                           |
|           | ✓ | Machining of adapter for Dyno Optimus Motor                                          |  |  | 1            | SI026642 (P19)                | BionX                       | 22-Dec-17                            |                      | 1,145                                       |
|           | ✓ | Power Supply Motor Test Dyno                                                         |  |  | 1            | SI022805 (P11)                | BionX                       | 06-Mar-17                            | 18-Apr-17            | 0                                           |
|           |   |                                                                                      |  |  |              |                               |                             |                                      |                      | 70,120                                      |

| Inventory |   | Material Cost Pass Through (Line Item 5000210)                                                                                                                      |              |                                              |                  |                                        |                      |                                             |
|-----------|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------------------------|------------------|----------------------------------------|----------------------|---------------------------------------------|
|           |   |                                                                                                                                                                     | Qty          | Invoice                                      | Location         | Invoice Date                           | Payment Date         | Balance<br>Remaining on<br>Supplier Invoice |
| 1         | ✓ | Drive Unit tear downs (located in BionX Benchmark Area); INCLUDES BIKE FRAMES                                                                                       |              | SI019473 (P1) -<br>SI021722 (P7)             | BionX            | Spending from April 2016 ~ Dec<br>2016 |                      | -                                           |
| 1A        | ✓ | Benchmarking Bike A - BROSE                                                                                                                                         | 1            | SI019473 (P1)                                |                  |                                        |                      |                                             |
| 1B        | ✓ | Benchmarking Bike B - Kalkhoff - KALKHOFF                                                                                                                           | 1            | SI019473 (P1)                                |                  |                                        |                      |                                             |
| 1C        | ✓ | Benchmarking Bike C - Cube Reaction Hybrid 16 - BOSCH                                                                                                               | 1            | SI019473 (P1)                                |                  |                                        |                      |                                             |
| 1D        | ✓ | Benchmarking Bike D - EVO Steps MD1 - SHAMANO                                                                                                                       | 1            | SI019473 (P1)                                |                  |                                        |                      |                                             |
| 1E        | ✓ | Benchmarking Bike E - WL I-Rider Intercycle - YAMAHA                                                                                                                | 1            | SI020279 (P3)                                |                  |                                        |                      |                                             |
| 1F        | ✓ | Benchmarking Bike F - Univega - (N/A, In tact)                                                                                                                      | 1            | SI020818 (P4)                                |                  |                                        |                      |                                             |
| 1G        | ✓ | Benchmarking Bike G - Victoria e-Urban - TRANS X PST                                                                                                                | 1            | SI020818 (P4)                                |                  |                                        |                      |                                             |
| 1H        | ✓ | Benchmarking Bike H - Haibike Trekking - BOSCH                                                                                                                      | 1            | SI020818 (P4)                                |                  |                                        |                      |                                             |
| 1I        | ✓ | Computrainer for Benchmarking                                                                                                                                       | 1            | SI019473 (P1)                                |                  |                                        |                      |                                             |
| 2         | ✓ | <del>Competitive Bikes (located in BionX Benchmark Area)</del> INCLUDED WITH ABOVE                                                                                  |              | <del>SI019473 (P1) -<br/>SI021722 (P7)</del> |                  |                                        |                      |                                             |
| 3         | ✓ | <del>Bosch Test Units instrumented for testing</del> INCLUDED with #10                                                                                              |              | <del>SI025517 (P16)</del>                    | <del>BionX</del> | <del>14-Sep-17</del>                   | <del>12-Dec-17</del> | -                                           |
| 4         | ✓ | Gear Test Rig                                                                                                                                                       | 1            | SI023415 (P13)                               | BionX            | 10-May-17                              | 06-Jun-17            | -                                           |
| 5         | ✓ | Yokogawa Precision Power Analyzer                                                                                                                                   | 1            | SI022307 (P9)                                | BionX            | 20-Dec-16                              | 31-Jan-17            | -                                           |
| 6         | ✓ | Power Supplies - Lagen 50-30-LAN (on NVH test equipment) \$23,000                                                                                                   | 8            | SI022804 (P10)                               | BionX            | 03-Mar-17                              | 18-Apr-17            | -                                           |
| 7         | ✓ | <del>Gear test rig</del> INCLUDED with #4                                                                                                                           | <del>1</del> | <del>SI023415 (P13)</del>                    | <del>BionX</del> | <del>10-May-17</del>                   | <del>06-Jun-17</del> | -                                           |
| 8         | ✓ | Dyno - environmental test assembly station                                                                                                                          | 1            | SI025517 (P16)                               | Magna            | 14-Sep-17                              | 12-Dec-17            | -                                           |
| 9         | ✓ | SLS models                                                                                                                                                          | 1            | SI022805 (P11)                               | BionX            | 06-Mar-17                              | 18-Apr-17            | -                                           |
| 10        | ✓ | Bosch bikes - (5) Cube Touring Hybride 400 Blue & Blue                                                                                                              | 5            | SI025517 (P16)                               | BionX            | 14-Sep-17                              | 12-Dec-17            | -                                           |
| 11        | ✓ | 10 samples of each cover including cost of coil                                                                                                                     | 1            | SI022805 (P11)                               | BionX            | 06-Mar-17                              | 18-Apr-17            | -                                           |
| 12        | ✓ | SLA model battery components Optimus show bike (4) end caps / (6) cell holders                                                                                      | 10           | SI022307 (P9)                                | BionX            | 20-Dec-16                              | 31-Jan-17            | -                                           |
| 13        | ✓ | OPTA000002 3 channel power supply for N2780A; series Newark-Premier N8737A;N2779A                                                                                   | 2            | SI026643 (P20)                               | BionX            | 22-Dec-17                              |                      | 8,178                                       |
| 14        | ✓ | OPTA000002 Can USB adapters for testing and calibration                                                                                                             | 1            | SI026642 (P19)                               | BionX            | 22-Dec-17                              |                      | 7,847                                       |
| 15        | ✓ | laser weld clamp fixture                                                                                                                                            | 1            | SI023414 (P12)                               | BionX            | 10-May-17                              | 06-Jun-17            | -                                           |
| 16        | ✓ | <del>OPTC000226 Tools and fixtures for OPTC000226</del>                                                                                                             | <del>1</del> | <del>SI026642 (P19)</del>                    | Runner           | 22-Dec-17                              |                      | <del>5,755</del>                            |
| 17        | ✓ | OPTC000375 Rev X1 Socket tool - lock nut, chain ring                                                                                                                | 10           | SI026642 (P19)                               | BionX            | 22-Dec-17                              |                      | 3,500                                       |
| 18        | ✓ | Panasonic cells for testing @ Sherbrook                                                                                                                             | 1            | SI022805 (P11)                               | BionX            | 06-Mar-17                              | 18-Apr-17            | -                                           |
| 19        | ✓ | Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transisters, blade terminals, thermistor, wire, connectors, terminal blocks. | 1            | SI025191 (P14)                               | BionX            | 31-Aug-17                              | 19-Sep-17            | -                                           |
| 20        | ✓ | floating gear ring test                                                                                                                                             | 1            | SI022804 (P10)                               | BionX            | 03-Mar-17                              | 18-Apr-17            | -                                           |
| 21        | ✓ | <del>OPTC000194, 195 - floating gear ring isolator for test</del>                                                                                                   | <del>1</del> | <del>SI023414 (P12)</del>                    | <del>BionX</del> | <del>10-May-17</del>                   | <del>06-Jun-17</del> | -                                           |
| 22        | ✓ | OPTC000210 (7) Can USB adaptor                                                                                                                                      | 7            | SI026114 (P18)                               | BionX            | 31-Oct-17                              | 12-Dec-17            | -                                           |
| 23        | ✓ | miniature triaxial accelerometer @ EOL                                                                                                                              | 1            | SI023414 (P12)                               | BionX            | 10-May-17                              | 06-Jun-17            | -                                           |
| 24        | ✓ | custom 8s3p PCC block                                                                                                                                               | 1            | SI023415 (P13)                               | BionX            | 10-May-17                              | 06-Jun-17            | -                                           |
| 25        | ✓ | OPTA000045, OPTC000092 CAN USB adaper                                                                                                                               | 5            | SI026642 (P20)                               | BionX            | 22-Dec-17                              |                      | 1,726                                       |
| 26        | ✓ | <del>OPTC000031, OPTC000039, OPTC000045 bore &amp; ring gauges, adapters</del>                                                                                      | <del>1</del> | <del>SI025517 (P16)</del>                    | <del>BionX</del> | <del>14-Sep-17</del>                   | <del>12-Dec-17</del> | -                                           |

|    |   |                                                                                                                                                                                 |    |                |       |             |           |         |
|----|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------|-------|-------------|-----------|---------|
| 27 | ✓ | OPTA000045, OPTC000092 (3) CAN USB adaper                                                                                                                                       | 3  | SI026643 (P20) | BionX | 22-Dec-17   |           | 1,070   |
| 28 | ✓ | OPTC000057 fixed ind, probe lead, IC driver half bridge, ferrite clip-on, test lead, ferrite core, TVS Diode, N-Channel, Mosfet, 12V regulator and diode, inverter & consulting | 1  | SI025517 (P16) | BionX | 14-Sep-17   | 12-Dec-17 | -       |
| 29 |   | connectors/MNF/bluetooth module                                                                                                                                                 | 20 | SI022804 (P10) | BionX | 03-Mar-17   | 18-Apr-17 | -       |
| 30 | ✓ | OPTA000002 USB-8473, 1 port high-speed can interface [Dyno service only]                                                                                                        | 1  | SI026643 (P20) | BionX | 22-Dec-17   |           | 950     |
| 31 | ✓ | Misc. items including: right angle pin, straight pin, connectors, multilayer ceramic                                                                                            | 1  | SI025191 (P14) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
| 32 | ✓ | (3) Can USB adaptors                                                                                                                                                            | 3  | SI022805 (P11) | BionX | 06-Mar-17   | 18-Apr-17 | -       |
| 33 | ✓ | BMX Singl Cassette Cogs Steel 15 Tooth, Sugino Track Chain Ring Black on dyno 4 & 5                                                                                             | 14 | SI025191 (P14) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
| 34 | ✓ | OPTC0000289 - adapter stand - dyno showbike motor                                                                                                                               | 1  | SI023415 (P13) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 35 |   | OPTA000002 Wedge foam panels for sound chamber (glued into NVH tester)                                                                                                          | 12 | SI026643 (P20) | BionX | 22-Dec-17   |           | 738     |
| 36 | ✓ | OPTA000002 500w brushless AC controller evaluation kit with bluetooth for motor testing 653 inver PCB kit                                                                       | 3  | SI026642 (P19) | BionX | 22-Dec-17   |           | 634     |
| 37 |   | CAN USB adaper includes drivers & 2 cables                                                                                                                                      | 2  | SI023414 (P12) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 38 |   | Misc items - Control cards with piccolo, debug probes                                                                                                                           | 1  | SI022804 (P10) | BionX | 03-Mar-17   | 18-Apr-17 | -       |
| 39 | ✓ | Misc small parts (caps, rivets, washers, foam sheet, wire, etc) McMaster Carr vibe table                                                                                        | 1  | SI026643 (P20) | BionX | 22-Dec-17   |           | 536     |
| 40 |   | OPTA000002 Chain rings, SS converson kits, 396 chain conv kits                                                                                                                  | 1  | SI026642 (P19) | BionX | 22-Dec-17   |           | 397     |
| 41 | ✓ | OPTA000003 Ultra-Linear Measurement Condenser Microphone Electronics                                                                                                            | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 42 | ✓ | Misc items - Control cards with piccolo, debug probes                                                                                                                           | 1  | SI022805 (P11) | BionX | 06-Mar-17   | 18-Apr-17 | -       |
| 43 | ✓ | OPTA000003 Phantom power supply - NVH Test Equip                                                                                                                                | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 44 |   | BAC TTL Communication Harness - NVH Test Equip                                                                                                                                  | 2  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 45 | ✓ | flat cables                                                                                                                                                                     | 1  | SI023415 (P13) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 46 |   | OPTA000003 Acoustical wedge foam panels (glued into cabinet; permanently affixed)                                                                                               | 12 | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 47 | ✓ | Premium phantom cables xlr female to bnc male unbalanced cable                                                                                                                  | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 48 | ✓ | Ricardo units ** CONSIGNMENT **                                                                                                                                                 | 5  | N/A            | BionX | CONSIGNMENT |           | -       |
| 49 | ✓ | Production Validation Drive Units (Magna Validation Test Stopped on 15FEB; "LEG O")                                                                                             | 12 | PO4300554647   | BionX | 22-Sep-17   |           | 78,000  |
| 50 | ✓ | GM Bike Frame ** CONSIGNMENT **                                                                                                                                                 | 1  | N/A            | BionX | CONSIGNMENT |           | -       |
| 51 | ✓ | Production Validation Drive Units (Magna Validation Test Stopped on 15FEB)                                                                                                      | 5  | PO4300554647   | Magna | 22-Sep-17   |           | 32,500  |
| 52 | ✓ | Production Validation Drive Units, Boxed but undelivered                                                                                                                        | 21 | PO4300554647   | BionX | 22-Sep-17   |           | 136,500 |
| 53 | ✓ | Beta Drive Units - Completed Development Validation                                                                                                                             | 26 | SI025192 (P15) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
|    |   |                                                                                                                                                                                 |    |                |       |             |           | 278,332 |

## GM Owned Manufacturing Tools PO# #4300237222 SODW Defined: Section 11

|   | Tool Number     | Tool Name                        | Qty | Invoice Number | Location | Invoice Date | Payment Date | Outstanding | Comments                                                         |
|---|-----------------|----------------------------------|-----|----------------|----------|--------------|--------------|-------------|------------------------------------------------------------------|
| ✓ | OPTT000027      | Stator Gluing Fixture            | 62  | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           | 85 found, 62 invoice                                             |
| ✓ | OPTT000001      | Sun gear holding fixture         | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000002      | Magnet holding fixture           | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000004      | Magnet holding tool              | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000006      | Magnet seat tool                 | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ |                 | Gauss Meter                      | 2   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    | -           |                                                                  |
| ✓ |                 | degauss machine                  | 1   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    | -           |                                                                  |
| ✓ | OPTT000012      | Grease trap locating fixture     | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000013      | Grease trap, bearing and spacer  | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000014      | Grease trap coining tool 1       | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000034      | Grease trap coining tool 2       | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000008      | Pin locating fixture             | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000010      | Pin adjustment tool              | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000011      | Rivet Gun                        | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000031      | nest for planet carrier          | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000032      | pressing tool, planet carrier    | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000017      | Nest Output Shaft                | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000018      | Press Tool Output Shaft          | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000023      | Nest RHH                         | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000024      | Tool RHH                         | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000020      | Clutch race adapter bearing Nest | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000021      | Clutch race adapter bearing tool | 1   | SI025192 (P15) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000036      | Torque Flange Fixture            | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ? | no tool numbers | Press operation 1                | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           | Picture process sheets & job aids from BionX to provide evidence |
| ? | no tool numbers | Press operation 2                | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ? | no tool numbers | Press operation 3                | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000051      | LHH Seat fixture                 | 1   | SI025517 (P16) | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓ | OPTT000026      | Fixture                          | 1   | SI023415 (P13) | BionX    | 10-May-17    | 06-Jun-17    | -           |                                                                  |
| ✓ | OPPT000037      | Arbor press inverter cover       | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓ | OPTT000019      | Plug arbor press                 | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓ | OPTT000040      | side cutter                      | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓ | OPTT000043      | pliers                           | 1   | SI022804 (P10) | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓ | TG-10           | Torque Gun (Delta Regis)         | 1   | SI025191 (P14) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000045      | Die Press Tool Sun gear          | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000046      | Die Press Tool pool ring         | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000047      | Clip ring tool 1 lower sun gear  | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓ | OPTT000048      | Clipping tool 2 upper sun gear   | 1   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |

|   |                                                                                |                                    |              |                           |                  |                      |                      |       |                      |
|---|--------------------------------------------------------------------------------|------------------------------------|--------------|---------------------------|------------------|----------------------|----------------------|-------|----------------------|
| ✓ | OPTT000049                                                                     | Clipping tool 3 crank shaft        | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | OPTT000052                                                                     | Fixture seal grease barrier        | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | OPTT000053                                                                     | Clip ring tool 4                   | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | OPTT000033                                                                     | Torque Tube Fixture                | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |
| ✓ | OPTT000028                                                                     | Final assembly merging tool        | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |
| ✓ | OPTT000029                                                                     | Alignment pins                     | 6            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |
| ✓ | OPTT000030                                                                     | motor final ASSY fixture           | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |
| ✓ | OPTT000054                                                                     | Motor torque holding jig           | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ |                                                                                | Torque Wrench                      | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ |                                                                                | Pole Assembly with heat stake post | 1            | SI022804 (P10)            | BionX            | 03-Mar-17            | 18-Apr-17            | -     |                      |
| ✓ | OPTA000008 - Pole Assembly with heat stake post winding samples                |                                    | 1            | SI023415 (P13)            | BionX            | 10-May-17            | 06-Jun-17            | -     |                      |
| ✓ | OPTC0000227 - 3M tape sheet - tooling                                          |                                    | 1            | SI025191 (P14)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | OPTA000203 holding /machining fixture to manufacture                           |                                    | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |
| ✓ | Misc. Parts - e.g. Crimpers, Spacers, Standoffs, Screws, Cables, Headers, etc. |                                    | 1            | SI022804 (P10)            | BionX            | 03-Mar-17            | 18-Apr-17            | -     |                      |
| ✓ | OPTC0000244, 054 - Machining of mounting plate & Inverter cover one of each    |                                    | 1            | SI023415 (P13)            | BionX            | 10-May-17            | 06-Jun-17            | -     |                      |
| ✓ | GM motor stator glue setting fixture                                           |                                    | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | <del>OPTC000031, OPTC000039, OPTC000045 bore &amp; ring gauges, adapters</del> |                                    | <del>1</del> | <del>SI025517 (P16)</del> | <del>BionX</del> | <del>14-Sep-17</del> | <del>17-Oct-17</del> | -     | duplicate            |
| ✓ | OPTC000094 - teflon plate for beta                                             |                                    | 1            | SI025191 (P14)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| X | OPTA000100 Pneumatic dispenser, mixer element                                  |                                    | 1            | SI026643 (P20)            | BionX            | 22-Dec-17            |                      | 1,054 | LOST, could not find |
| X | OPTA0000014 Pin alignment tool head                                            |                                    | 1            | SI026642 (P19)            | BionX            | 22-Dec-17            |                      | 1,050 | LOST, could not find |
| ✓ | Tooling stator epoxy fixture                                                   |                                    | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | Misc. items: Inner/Outer Tube, Aluminum base stripped pin, washer skating tool |                                    | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -     |                      |
| ✓ | OPTC000410 Grease shield - stator                                              |                                    | 1            | SI026114 (P18)            | BionX            | 31-Oct-17            | 12-Dec-17            | -     |                      |
| ✓ | OPTC000406 mounting plate, OPTC000407 mounting ring                            |                                    | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17            | -     |                      |
| ✓ | OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                |                                    | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -     |                      |

|   |                                                                                                                                                                    |   |                |       |           |           |     |                      |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|----------------|-------|-----------|-----------|-----|----------------------|
| ✓ | Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 | -   |                      |
| ✓ | Female socket connector, thermal liquid gap filler, mixing nozzles & cartages                                                                                      | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | OPTC000038 DC Gaussmeter model HS#582 - torque tube                                                                                                                | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 | -   |                      |
| ✓ | OPTA000014 pin alignment tool - carrier                                                                                                                            | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 | -   |                      |
| ✓ | crank seal and spline block                                                                                                                                        | 1 | SI025192 (P15) | BionX | 31-Aug-17 | 19-Sep-17 | -   |                      |
| ✓ | OPTC000027, OPTC000032, OPTC000372 machining socket tool, aluminum ring isolator & LH housing                                                                      | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 | -   |                      |
| ✓ | OPTC000027 modify ring fixture and 3 pcs of ring                                                                                                                   | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | adhesive mounting base, anodized aluminum, 4-40 integral stud                                                                                                      | 1 | SI025191 (P14) | BionX | 31-Aug-17 | 19-Sep-17 | -   |                      |
| ✓ | Hard anodizing of fixture cap                                                                                                                                      | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | OPTC000383 rotor shaft, OPTC000360 base plate, OPTC000368 post                                                                                                     | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | stator shipping disk                                                                                                                                               | 1 | SI023415 (P13) | BionX | 10-May-17 | 06-Jun-17 | -   |                      |
| ✓ | OPTC000412 Trap holder                                                                                                                                             | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 | -   |                      |
| ✓ | Flexible shaft coupling iron hub with set screw                                                                                                                    | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | Misc. Parts - e.g. Embedded Evaluation Board, Heat shrink tube, led panel indicator, debugger, crimp pin/sockets, electronic components, etc.                      | 1 | SI023414 (P12) | BionX | 10-May-17 | 06-Jun-17 | -   |                      |
| ✗ | OPTA0000014 Washer staking tool                                                                                                                                    | 1 | SI026642 (P19) | BionX | 22-Dec-17 |           | 230 | LOST, could not find |
| ✓ | Scriber for hardened steel & stainless steel straight retractable tip                                                                                              | 1 | SI026114 (P18) | BionX | 31-Oct-17 | 12-Dec-17 | -   |                      |
| ✓ | OPTA000006 stator weld fixture                                                                                                                                     | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | Modify dyno adapter as per instructions, machine counterbores and grind                                                                                            | 1 | SI025541 (P17) | BionX | 15-Sep-17 | 12-Dec-17 | -   |                      |
| ✓ | crimp term male                                                                                                                                                    | 1 | SI022306 (P8)  | BionX | 20-Dec-16 | 31-Jan-17 | -   |                      |

|   |                                                                                                                                          |   |                |       |           |           |   |  |
|---|------------------------------------------------------------------------------------------------------------------------------------------|---|----------------|-------|-----------|-----------|---|--|
| ✓ | OPTC000024, OPTC000059, OPTA000203 misc including torque sensing tooling, wrench strap set, deep groove ball bearing, manual syringe kit | 1 | SI025517 (P16) | BionX | 14-Sep-17 | 17-Oct-17 | - |  |
|   |                                                                                                                                          |   |                |       |           |           | - |  |

**BETA ED&D PURCHASES CONTRACT - SPOT BUY PO #4300237222**

| EQUIPMENT NOT COMPLETE: Production Equipment for End of Line Test | Qty | Invoice Number | Location                 | Invoice Date | Payment Date | Balance Remaining on Supplier Invoice (GM require BionX to complete) |
|-------------------------------------------------------------------|-----|----------------|--------------------------|--------------|--------------|----------------------------------------------------------------------|
| Full Bike Dyno (Requires Completion)                              | 1   | SI021722 (P7)  | Supplier: RG Shelley     | 28-Oct-16    | 06-Dec-16    | 45,320                                                               |
|                                                                   |     | SI025192 (P15) |                          | 31-Aug-17    | 19-Sep-17    |                                                                      |
|                                                                   |     | SI026642 (P19) |                          | 22-Dec-17    |              |                                                                      |
| EOL Tester (Requires Completion)                                  | 1   | VT10701552     | Supplier: DV Electronics |              |              | 250,000                                                              |
| Surge Tester for Motor (Requires Completion)                      | 1   | SI023414 (P12) | Supplier: Electrom       | 10-May-17    | 06-Jun-17    | 35,000                                                               |
|                                                                   |     |                |                          |              |              | 330,320                                                              |

Discuss with Grant Thornton; Michael Creber and/or Jason Knight the path to move forward.  
 Step 1) Retained BionX personnel to provide total tooling cost, payment records, balance due  
 Step 2) GM and Grant Thornton to reach agreement on how to execute final payment in each case.

Note: GM desires to obtain the equipment

# **APPENDIX 14**

---

**From:** Kim Ferreira <kim@ontlaw.com>  
**Sent:** Thursday, March 8, 2018 6:09 PM  
**To:** Steven Weisz  
**Cc:** Knight, Jason; Caitlin Fell; James Grout; Creber, Michael; 'Haddon Murray'; Timothy Morgan  
**Subject:** RE: Bionx  
**Attachments:** GM Factum, March 8, 2018.pdf; Draft Order, March 9, 2018.pdf; Brief of Authorities (Moving Party GM).pdf

Steve,

We are moving on the one narrow issue. There is sufficient time in the hour to have my clients' motion argued. In furtherance of the motion, I attach GM's factum, brief of authorities and draft Order.

Thank you,

Kim

---

**From:** Steven Weisz [mailto:sweisz@btzlaw.ca]  
**Sent:** Thursday, March 08, 2018 5:50 PM  
**To:** Kim Ferreira <kim@ontlaw.com>  
**Cc:** Knight, Jason <Jason.Knight@ca.gt.com>; Caitlin Fell <cfell@btzlaw.ca>; James Grout <jimhgrout@gmail.com>; michael.creber@ca.gt.com; 'Haddon Murray' <HMurray@stikeman.com>; Timothy Morgan <timothy@ontlaw.com>  
**Subject:** RE: Bionx

Kim

Further to your email and our telephone conversation this afternoon, my emails of this week set out the Receiver's position which has not changed. We are reviewing the 177 page affidavit that was served this afternoon and if necessary, will respond in due course. In the interim, Mr. Knight has advised for the record that paragraph 15 of Mr. Wilson's affidavit is not correct and he categorically denies making the statement attributed to him. We were clear to Mr. Justice McEwen at our attendance on Tuesday that responding materials would not be prepared for tomorrow as the parties were working towards a potential resolution or narrowing of the issues and the Receiver would be continuing its investigation and analysis which is still in process. Mr. Justice McEwen confirmed that he would reserve an hour to speak to it in chambers in the "library" if that would be helpful to the situation(that is, he would mediate). One of the issues the Receiver is reviewing and considering and which remains unclear to the Receiver is whether under the contract or arrangements between Bionix and GM, GM has to pay for the obligations under the contract, PO, or individual invoices. It is not clear to the Receiver that GM can "cherry pick" invoices and the related parts without also paying the other obligations it has to Bionix. The Receiver has been updating the schedule that it presented to the parties and the Court on Tuesday and will bring copies to Court tomorrow to assist the parties and Court.

Regards,  
Steve

Steve Weisz

**Partner**

**Brauti Thorning Zibarras LLP**

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**From:** Kim Ferreira [<mailto:kim@ontlaw.com>]

**Sent:** Thursday, March 8, 2018 1:57 PM

**To:** Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)>

**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; James Grout <[jimhgrout@gmail.com](mailto:jimhgrout@gmail.com)>; [michael.creber@ca.gt.com](mailto:michael.creber@ca.gt.com); 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>; Timothy Morgan <[timothy@ontlaw.com](mailto:timothy@ontlaw.com)>

**Subject:** RE: Bionx

Steve,

Given that the Receiver will not consent, I will be asking the Court tomorrow to make the necessary Order to allow GM to remove the Tooling and Equipment that relates to BionX invoices 1 to 18. In furtherance of this relief, I attach the supplemental affidavit of Scott T. Wilson, which is served on your pursuant to the *Rules of Civil Procedure*.

To be clear, the Tooling and Equipment that relates to invoices 1 to 18 is the Beta Tooling and Equipment, which was created during the development and design of the drive unit. As I previously advised, GM fully paid BionX all amounts owed on account of this Tooling and Equipment.

The amounts you reference below, in your email, are on account of BionX invoices 19 and 20. These invoices relate to the Production Tooling Contract. I am not seeking to remove the Tooling and Equipment related to these invoices.

While I appreciate the Receiver's efforts, there is no need for the Receiver to hold on to the Tooling and Equipment under invoices 1 to 18. GM has fully reimbursed BionX and it is the sole owner. The Receiver does not need this Tooling and Equipment to determine what proper amounts are owed under invoices 19 and 20.

Thank you,

Kim Ferreira

---

**From:** Steven Weisz [<mailto:sweisz@btzlaw.ca>]

**Sent:** Thursday, March 08, 2018 10:45 AM

**To:** Kim Ferreira <[kim@ontlaw.com](mailto:kim@ontlaw.com)>

**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; James Grout <[jimhgrout@gmail.com](mailto:jimhgrout@gmail.com)>; [michael.creber@ca.gt.com](mailto:michael.creber@ca.gt.com); 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>; Timothy Morgan <[timothy@ontlaw.com](mailto:timothy@ontlaw.com)>

**Subject:** RE: Bionx

Kim

Your understanding is not correct and the Receiver is not in a position to provide the requested consent. The Receiver is continuing its investigation and has not completed the reconciliation of the amounts in the books and records of the Company as against the amounts acknowledged by GM as being paid or owed. There continues to be a discrepancy between these amounts that is significant. The Receiver believes that further discussions with GM will assist and be fruitful. For example, the Receiver does not have sufficient information relating to the discrepancy between the invoices issued by Bionix relating to the Beta Program(PO No. 4399237222) and the Production Tooling(PO No. 47000217390) and the amounts GM is prepared to pay for the Tools and Equipment( \$1,559,697 and \$851, 173 in the Company's records respectively and GM agreeing to pay 97,800 in respect of the first PO and nothing on the second. A discrepancy of over \$2,300,000) . The Receiver is continuing to work diligently to reconcile the accounts and sort out the facts and is hopeful the continued negotiations with GM can resolve or at least narrow the outstanding issues.

Thanks,  
Steve

**Steve Weisz**  
**Partner**  
**Brauti Thorning Zibarras LLP**  
2900 - 161 Bay Street  
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**From:** Kim Ferreira [<mailto:kim@ontlaw.com>]  
**Sent:** Wednesday, March 7, 2018 8:29 PM  
**To:** Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)>  
**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; James Grout <[jimhgrout@gmail.com](mailto:jimhgrout@gmail.com)>; [michael.creber@ca.gt.com](mailto:michael.creber@ca.gt.com); 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>; Timothy Morgan <[timothy@ontlaw.com](mailto:timothy@ontlaw.com)>  
**Subject:** RE: Bionx

Steve,

I understand that GM's representative, Scott Wilson, has completed the Tooling and Equipment reconciliation with Jason Knight.

I further understand that GM and the Receiver appear to be in agreement that the Tooling and Equipment referenced in the invoices, issued by BionX to GM, and identified as invoices 1 to 18, are fully paid for. BionX issued these invoices from April 2016 to October 31, 2017. GM made full payment of these invoices from April 2016 to December 12, 2017. No amounts are owing on these invoices.

I attach a spreadsheet that identifies the Tooling and Equipment referenced under invoices 1 to 18, the date of the invoice, and the date GM made payment to BionX. Given that BionX has been fully reimbursed for this Tooling and

Equipment there should be no issue that it is the sole property of GM. I further note that BionX was fully reimbursed under these invoices by December 12, 2017, and prior to the secured creditor taking security on January 18, 2018.

In addition, the documentation from the Receiver, that you circulated on Monday, March 5, 2018, confirms no amounts are owed by GM to BionX under invoices 1 to 18. The Receiver's documentation suggests amounts are owed for Tooling and Equipment under the BionX invoices referenced as 19 to 24, which were issued from December 22, 2017 to February 16, 2018. I have previously communicated to you that GM disputes these amounts and that GM is entitled to assert a set-off claim against these amounts for the damages caused to it by BionX's breach of contract.

However, to facilitate the best use of the Court's time this Friday, March 9<sup>th</sup>, GM will only be seeking an Order from the Court allowing it to remove the Tooling and Equipment identified in invoices 1 to 18, that it is fully paid for, and that I set out in the attached spreadsheet.

Please confirm that the Receiver will consent to this Order.

Thank you,

Kim

---

**From:** Steven Weisz [<mailto:sweisz@btzlaw.ca>]

**Sent:** Monday, March 05, 2018 5:16 PM

**To:** Kim Ferreira <[kim@ontlaw.com](mailto:kim@ontlaw.com)>

**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; James Grout <[jimhgrout@gmail.com](mailto:jimhgrout@gmail.com)>; [michael.creber@ca.gt.com](mailto:michael.creber@ca.gt.com); 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>

**Subject:** RE: Bionx

Hi Kim,

Thank you for your email. Based on the Receiver's review of the documentation thus far and without the benefit of additional discussions with GM, there appears to be significant questions about the ownership of the tooling and equipment in question. In addition, it appears that there may be an argument that the total amount owing of \$4.416 million noted in the schedule (with backup and sent to you earlier today) directly relates to what is owed for the Tooling and Equipment (rather than amounts for items outside of the Tooling and Equipment). We note that this amount may be payable to Bionx Canada either because under the Terms and Conditions of the purchase orders, title passes to GM upon full reimbursement to Bionx Canada or, the full amount is payable because the contract has been terminated and therefore, there are no provisions in the Terms and Conditions that are still applicable.

Further in your email, you noted that the Receiver and GM agreed that CAD416,150 is the amount the parties agreed to for the Tooling and Equipment. However, to clarify, the Receiver has not agreed that this is the amount owing for the Tooling and Equipment.

In order to further advance the Receiver's analysis in respect of the Tooling and Equipment in an expedited manner, we suggest that the Receiver and GM, with counsel, meet tomorrow to discuss and attempt to narrow the issues. We understand that documentation between the Receiver and GM has been exchanged today, and that this documentation will need to be reconciled. We continue to believe that discussing these issues is a more effective and an appropriate forum rather than a court hearing in an attempt to come to a final resolution and in order to allow the Receiver to fully understand all parties positions prior to taking a definitive view. We are copying counsel to SCC as they have an interest in this matter.

Regards,

Steve

**Steve Weisz**  
**Partner**  
**Brauti Thorning Zibarras LLP**  
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Toronto, ON M5J 2S1

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**From:** Kim Ferreira [<mailto:kim@ontlaw.com>]  
**Sent:** Monday, March 5, 2018 3:36 PM  
**To:** Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)>; 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>; Creber, Michael <[Michael.Creber@ca.gt.com](mailto:Michael.Creber@ca.gt.com)>  
**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; James Grout <[jimhgrout@gmail.com](mailto:jimhgrout@gmail.com)>  
**Subject:** RE: Bionx

Steve and Michael,

Thank you for your respective emails.

When the parties attended before Justice McEwen on Tuesday, February 27, 2018, the Receiver advised that it required time to review the Tooling and Equipment, identified by GM in its motion materials, to confirm whether GM is the proper owner. You further advised that if you did not believe GM to be the proper owner of the Tooling and Equipment or if you did not agree with the amount of \$206,000, which GM submitted is owing for the Tooling and Equipment, that you would advise us by Friday, March 2, 2018.

Following Tuesday's attendance, the Receiver and GM worked diligently to review the Tooling and Equipment, confirm ownership and determine the amount owing.

On Friday, March 2, 2018, Steve sent an email to advise that the Receiver continued to work with GM to verify the Tooling and Equipment, but required further time over the weekend to complete its review. Steve then suggested the Receiver would be in a position to confirm the amount owing on the Tooling and Equipment by today. GM took no issue with the requested indulgence and believed the parties to be working towards a mutually agreeable resolution on the Tooling and Equipment.

This morning, we received Steve's email that attached documentation that references amounts owing by GM on account of a number of items outside of the Tooling and Equipment. The documentation also does not isolate what the Receiver believes to be owing on account of the Tooling and Equipment. The motion returnable on Friday, March 9, 2018, is in regards to the Tooling and Equipment. There is no other motion before the Court. If the Receiver would like to discuss the balance of the alleged payable, then the Receiver also needs to take into consideration the substantial damage claim that GM has as against BionX. The parties can move forward on this issue on a later date and, if need be, schedule a separate motion to deal with the payable owing on items outside of the Tooling and Equipment.

However, GM is not prepared to confuse the issues on its motion, which deal squarely with the Tooling and Equipment. Based on GM's discussions with the Receiver over the past week, GM understands that it and the Receiver agree that **CAD\$416,150.00** is the amount the parties agree is owed for the Tooling and Equipment. GM remains prepared to pay the Receiver the agreed upon amount of CAD\$416,150.00 for the Tooling and Equipment and be permitted access to the Premises to remove the Tooling and Equipment. Further, the Receiver and GM have segregated the Tooling and Equipment in preparation for its removal. Accordingly, we attach a draft Order for the Tooling and Equipment that we ask you to review and advise if you are agreeable to its terms.

Once the parties resolve the Tooling and Equipment, we can then move forward with discussions about the alleged payable owing to BionX, which, as stated above, needs to take into consideration GM's considerable set-off claim.

In terms of having a without prejudice meeting in downtown Toronto today, that is simply not practical. Our GM representative is in Aurora and I am in Mississauga. The parties can meet either tomorrow before our attendance or after.

Thank you,

Kim

---

**From:** Steven Weisz [<mailto:sweisz@btzlaw.ca>]

**Sent:** Monday, March 05, 2018 1:48 PM

**To:** 'Haddon Murray' <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>; Creber, Michael <[Michael.Creber@ca.gt.com](mailto:Michael.Creber@ca.gt.com)>; Kim Ferreira <[kim@ontlaw.com](mailto:kim@ontlaw.com)>

**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>

**Subject:** RE: Bionix

I am also available anytime today.

Steve

**Steve Weisz**

**Partner**

**Brauti Thorning Zibarras LLP**

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**From:** Haddon Murray [<mailto:HMurray@stikeman.com>]  
**Sent:** Monday, March 5, 2018 12:39 PM  
**To:** Creber, Michael <[Michael.Creber@ca.gt.com](mailto:Michael.Creber@ca.gt.com)>; Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)>; 'Kim Ferreira' <[kim@ontlaw.com](mailto:kim@ontlaw.com)>  
**Cc:** Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>  
**Subject:** RE: Bionix

I am available at everyone's convenience. If it is helpful I can book a boardroom here at Stikeman Elliott.

---

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**From:** Creber, Michael [<mailto:Michael.Creber@ca.gt.com>]  
**Sent:** Monday, March 05, 2018 11:50 AM  
**To:** 'Steven Weisz'; 'Kim Ferreira'  
**Cc:** Knight, Jason; Caitlin Fell; Haddon Murray  
**Subject:** RE: Bionix

All

May I suggest an in person without prejudice meeting with counsel and clients to work through these matters, perhaps this afternoon?

**Michael Creber, CPA, CA, CIRP, LIT | Partner**  
Grant Thornton LLP  
11th Floor | 200 King Street West | Box 11 | Toronto | ON | M5H 3T4  
T +1 416 369 7047 | F +1 416 360 4949 | C 647 330 9435  
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**From:** Steven Weisz [<mailto:sweisz@btzlaw.ca>]  
**Sent:** Monday, March 5, 2018 11:36 AM  
**To:** 'Kim Ferreira' <[kim@ontlaw.com](mailto:kim@ontlaw.com)>  
**Cc:** Creber, Michael <[Michael.Creber@ca.gt.com](mailto:Michael.Creber@ca.gt.com)>; Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; Haddon Murray <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>  
**Subject:** RE: Bionix

Kim,

I am forwarding the results of the Receiver's investigations with back-up which indicate a total payable of US\$4,416,491 from your client in respect of the tooling and equipment and other commitments of you client. Can you please provide your client's position on this claim? In the interests of time, I am copying Haddon Murray, the Applicant's counsel as the Applicant has a material interest in this matter.

Regards,  
Steve

**Steve Weisz**  
**Partner**  
**Brauti Thorning Zibarras LLP**  
2900 - 161 Bay Street  
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**From:** Kim Ferreira [<mailto:kim@ontlaw.com>]  
**Sent:** Friday, March 2, 2018 11:36 PM  
**To:** Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)>  
**Cc:** [michael.creber@ca.gt.com](mailto:michael.creber@ca.gt.com); Knight, Jason <[Jason.Knight@ca.gt.com](mailto:Jason.Knight@ca.gt.com)>; Caitlin Fell <[cfell@btzlaw.ca](mailto:cfell@btzlaw.ca)>; Haddon Murray <[HMurray@stikeman.com](mailto:HMurray@stikeman.com)>  
**Subject:** Re: Bionix

Steve,

Sorry for the delay. Yes, we are all on the same page. I will follow up with you on Monday.

Thank you,

Kim

Sent from my iPhone

On Mar 2, 2018, at 5:51 PM, Steven Weisz <[sweisz@btzlaw.ca](mailto:sweisz@btzlaw.ca)> wrote:

Kim,

As you may know, our respective clients have been working throughout the week and into the weekend to sort things out. Both teams have been working diligently and they are making progress. We are

continuing to gather facts and analyse the situation. We will continue the process throughout the weekend and hope to be able to be done by Monday.

Thanks,  
Steve

**Steve Weisz**  
**Partner**  
**Brauti Thorning Zibarras LLP**  
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# **APPENDIX 15**

**BETA ED&D PURCHAS CONTRACT - SPOT BUY PO #4300237222**

| Inventory                   |           |               |                |               | Dedicated GM Equipment & Tools / BETA tools (Line Item 5000410)                    |     |                  |                          | GM Owned Tooling (pick up) |              |                                       | All values identified in \$CAD |
|-----------------------------|-----------|---------------|----------------|---------------|------------------------------------------------------------------------------------|-----|------------------|--------------------------|----------------------------|--------------|---------------------------------------|--------------------------------|
|                             | 02-Mar-18 | BionX Invoice | Physical count | Ready to Ship | EQUIPMENT COMPLETED AND PAID FOR:                                                  | Qty | Invoice Number   | Location (as of 02MAR18) | Invoice Date               | Payment Date | Balance Remaining on Supplier Invoice |                                |
| A                           | ✓         | 9             | 5              | P             | Battery Testers                                                                    | 12  | SI022804 (P10) 4 | BionX                    | 03-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             |           |               |                |               | NVH Booth for Analysis [recording and measuring equipment]- ITEMIZED BELOW         | 4   | SI026114 (P18)   | BionX                    | 31-Oct-17                  | 12-Dec-17    | -                                     |                                |
| B                           | ✓         | ✓             | ✓              | ✓             | Motor Dyno, Drive Unit Performance (In-House)<br>(Equipment Tag: Project #J5699-1) | 1   | SI026642 (P7)    | BionX                    | 28-Oct-16                  | 06-Dec-16    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI022805 (P11)   |                          | 06-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI023415 (P13)   |                          | 10-May-17                  | 06-Jun-17    | -                                     |                                |
| C                           | ✓         | ✓             | ✓              | ✓             | Motor Dyno, Motor Performance (In-House)<br>(Equipment Tag: Project #J5699-2)      | 1   | SI026642 (P7)    | BionX                    | 28-Oct-16                  | 06-Dec-16    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI022306 (P8)    |                          | 20-Dec-16                  | 31-Jan-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI025192 (P15)   |                          | 31-Aug-17                  | 19-Sep-17    | -                                     |                                |
| D                           | ✓         | ✓             | ✓              |               | Drive Unit Durability (4 Unit Tester) [RG Shelley Prop Dura Eng ]                  | 1   | SI022306 (P8)    | Magna                    | 20-Dec-16                  | 31-Jan-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI022804 (P10)   |                          | 03-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI025541 (P17)   |                          | 15-Sep-17                  | 12-Dec-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI026642 (P19)   |                          | 22-Dec-17                  |              | 24,000                                |                                |
| E                           | ✓         | ✓             | ✓              |               | Motor Durability (4 Unit Tester) [RG Shelley Motor Dura Eng]                       | 1   | SI022306 (P8)    | Magna                    | 20-Dec-16                  | 31-Jan-17    |                                       |                                |
|                             |           |               |                |               |                                                                                    |     | SI022804 (P10)   |                          | 03-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI025517 (P16)   |                          | 14-Sep-17                  | 12-Dec-17    | -                                     |                                |
|                             |           |               |                |               |                                                                                    |     | SI026642 (P19)   |                          | 22-Dec-17                  |              | 19,275                                |                                |
| Attached to equipment above | ✓         | ✓             | ✓              | ✓             | Transformer on equipment (Dyno)                                                    | 1   | SI023414 (P12)   | Magna                    | 10-May-17                  | 06-Jun-17    | -                                     |                                |
|                             | ✓         | ✓             | ✓              | ✓             | Transformer on durability test rig (Durability Test Rig& Motor Durability Rig)     | 2   | SI022805 (P11)   | Magna                    | 06-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             | ✓         | ✓             | ✓              | ✓             | Transformer for Optimus Dyno on Motor Dyne at Magna                                | 1   | SI025192 (P15)   | BionX                    | 31-Aug-17                  | 19-Sep-17    | -                                     |                                |
|                             | ✓         | ✓             | ✓              | ✓             | Encoder on equipment motor dyne                                                    | 3   | SI022804 (P10)   | Magna                    | 03-Mar-17                  | 18-Apr-17    | -                                     |                                |
|                             | ✓         | ✓             | ✓              | ✓             | Encoder on equipment motor dyne                                                    | 2   | SI025192 (P15)   | BionX                    | 31-Aug-17                  | 19-Sep-17    | -                                     |                                |
|                             | ✓         | ✓             | ✓              |               | Machining of adapter for Dyno Optimus Motor                                        | 1   | SI026642 (P19)   | BionX                    | 22-Dec-17                  |              | 1,145                                 |                                |
|                             | ✓         | ✓             | ✓              | ✓             | Power Supply Motor Test Dyno                                                       | 1   | SI022805 (P11)   | BionX                    | 06-Mar-17                  | 18-Apr-17    | 0                                     |                                |
|                             |           |               |                |               |                                                                                    |     |                  |                          |                            |              | 44,420                                |                                |

| Inventory |           |               |                |               | Material Cost Pass Through (Line Item 5000210)                                                                                                                      |              |                                          |          |                                     |                      |                                       |
|-----------|-----------|---------------|----------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|------------------------------------------|----------|-------------------------------------|----------------------|---------------------------------------|
|           | 02-Mar-18 | BionX Invoice | Physical count | Ready to Ship |                                                                                                                                                                     | Qty          | Invoice                                  | Location | Invoice Date                        | Payment Date         | Balance Remaining on Supplier Invoice |
| 1         | ✓         | ✓             | ✓              | ✓             | Drive Unit tear downs (located in BionX Benchmark Area); INCLUDES BIKE FRAMES                                                                                       |              | SI019473 (P1) - SI021722 (P7)            | BionX    | Spending from April 2016 ~ Dec 2016 |                      | -                                     |
| 1A        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike A - BROSE                                                                                                                                         | 1            | SI019473 (P1)                            |          |                                     |                      |                                       |
| 1B        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike B - Kalkhoff - KALKHOFF                                                                                                                           | 1            | SI019473 (P1)                            |          |                                     |                      |                                       |
| 1C        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike C - Cube Reaction Hybrid 16 - BOSCH                                                                                                               | 1            | SI019473 (P1)                            |          |                                     |                      |                                       |
| 1D        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike D - EVO Steps MD1 - SHAMANO                                                                                                                       | 1            | SI019473 (P1)                            |          |                                     |                      |                                       |
| 1E        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike E - WL I-Rider Intercycle - YAMAHA                                                                                                                | 1            | SI020279 (P3)                            |          |                                     |                      |                                       |
| 1F        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike F - Univega - (N/A, In tact)                                                                                                                      | 1            | SI020818 (P4)                            |          |                                     |                      |                                       |
| 1G        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike G - Victoria e-Urban - TRANS X PST                                                                                                                | 1            | SI020818 (P4)                            |          |                                     |                      |                                       |
| 1H        | ✓         | ✓             | ✓              | ✓             | Benchmarking Bike H - Haibike Trekking - BOSCH                                                                                                                      | 1            | SI020818 (P4)                            |          |                                     |                      |                                       |
| 1I        | ✓         | ✓             | ✓              | ✓             | Computrainer for Benchmarking                                                                                                                                       | 1            | SI019473 (P1)                            |          |                                     |                      |                                       |
| 2         |           |               |                |               | Competitive Bikes (located in BionX Benchmark Area) INCLUDED WITH ABOVE                                                                                             |              | <del>SI019473 (P1) - SI021722 (P7)</del> |          |                                     |                      |                                       |
| 3         |           |               |                |               | <del>Bosch Test Units instrumented for testing</del> INCLUDED with #10                                                                                              |              | SI025517 (P16)                           | BionX    | 14-Sep-17                           | 12-Dec-17            | -                                     |
| 4         | ✓         | ✓             | ✓              | ✓             | Gear Test Rig                                                                                                                                                       | 1            | SI023415 (P13)                           | BionX    | 10-May-17                           | 06-Jun-17            | -                                     |
| 5         | ✓         | ✓             | ✓              | ✓             | Yokogawa Precision Power Analyzer                                                                                                                                   | 1            | SI022307 (P9)                            | BionX    | 20-Dec-16                           | 31-Jan-17            | -                                     |
| 6         |           | ✓             |                |               | Power Supplies [T-Metrics Lambda 50-30-LAN (on durability rigs) \$23,096 (2,887)]                                                                                   | 8            | SI022804 (P10)                           | BionX    | 03-Mar-17                           | 18-Apr-17            | -                                     |
| 7         |           |               |                |               | <del>Gear test rig</del> INCLUDED with #4                                                                                                                           | <del>1</del> | <del>SI023415 (P13)</del>                | BionX    | <del>10-May-17</del>                | <del>06-Jun-17</del> | -                                     |
| 8         |           | ✓             | ✓              | ✓             | Dyno - environmental test assembly station (17,390) (holds drive unit)                                                                                              | 1            | SI025517 (P16)                           | Magna    | 14-Sep-17                           | 12-Dec-17            | -                                     |
| 9         | ✓         | ✓             | ✓              | ✓             | SLS models                                                                                                                                                          | 1            | SI022805 (P11)                           | BionX    | 06-Mar-17                           | 18-Apr-17            | -                                     |
| 10        | ✓         | ✓             | ✓              | ✓             | Bosch bikes - (5) Cube Touring Hybride 400 Blue & Blue                                                                                                              | 5            | SI025517 (P16)                           | BionX    | 14-Sep-17                           | 12-Dec-17            | -                                     |
| 11        | ✓         | ✓             |                |               | 10 samples of each cover including cost of coil                                                                                                                     | 1            | SI022805 (P11)                           | BionX    | 06-Mar-17                           | 18-Apr-17            | -                                     |
| 12        | ✓         | ✓             |                |               | SLA model battery components Optimus show bike (4) end caps / (6) cell holders                                                                                      | 10           | SI022307 (P9)                            | BionX    | 20-Dec-16                           | 31-Jan-17            | -                                     |
| 13        | ✓         | ✓             | ✓              |               | OPTA000002 3 channel power supply for N2780A; accessories Newark-Premier N8737A;N2779A                                                                              | 1            | SI026643 (P20)                           | BionX    | 22-Dec-17                           |                      | 8,178                                 |
| 14        | ✓         | ✓             |                |               | OPTA000002 Can USB adapters for testing and calibration                                                                                                             | 1            | SI026642 (P19)                           | BionX    | 22-Dec-17                           |                      | 7,847                                 |
| 15        |           | ✓             |                |               | laser weld clamp fixture                                                                                                                                            | 1            | SI023414 (P12)                           | supplier | 10-May-17                           | 06-Jun-17            | -                                     |
| 16        |           |               |                |               | <del>OPTC000226 Tools and fixtures for OPTC000226</del>                                                                                                             | <del>1</del> | <del>SI026642 (P19)</del>                | Runner   | 22-Dec-17                           |                      | -                                     |
| 17        | ✓         | ✓             |                |               | OPTC000375 Rev X1 Socket tool - lock nut, chain ring                                                                                                                | 10           | SI026642 (P19)                           | BionX    | 22-Dec-17                           |                      | 3,500                                 |
| 18        | ✓         |               |                |               | Panasonic cells for testing @ Sherbrook                                                                                                                             | 1            | SI022805 (P11)                           | BionX    | 06-Mar-17                           | 18-Apr-17            | -                                     |
| 19        | ✓         | ✓             |                |               | Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transisters, blade terminals, thermistor, wire, connectors, terminal blocks. | 1            | SI025191 (P14)                           | BionX    | 31-Aug-17                           | 19-Sep-17            | -                                     |
| 20        | ✓         | ✓             | ✓              | ✓             | floating gear ring test                                                                                                                                             | 1            | SI022804 (P10)                           | BionX    | 03-Mar-17                           | 18-Apr-17            | -                                     |
| 21        |           |               |                |               | <del>OPTC000194, 195 - floating gear ring isolator for test</del>                                                                                                   | <del>1</del> | <del>SI023414 (P12)</del>                | BionX    | <del>10-May-17</del>                | <del>06-Jun-17</del> | -                                     |
| 22        | ✓         | ✓             | 3              | ✓             | OPTC000210 (7) Can USB adaptor                                                                                                                                      | 7            | SI026114 (P18)                           | BionX    | 31-Oct-17                           | 12-Dec-17            | -                                     |
| 23        | ✓         | ✓             | ✓              | ✓             | miniature triaxial accelerometer @ EOL                                                                                                                              | 1            | SI023414 (P12)                           | BionX    | 10-May-17                           | 06-Jun-17            | -                                     |
| 24        | ✓         | ✓             |                |               | custom 8s3p PCC block                                                                                                                                               | 1            | SI023415 (P13)                           | GM       | 10-May-17                           | 06-Jun-17            | -                                     |

|    |   |    |   |   |                                                                                                                                                                                 |    |                |       |             |           |         |
|----|---|----|---|---|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----------------|-------|-------------|-----------|---------|
| 25 | ✓ | ✓  | ✓ | ✓ | OPTA000045, OPTC000092 CAN USB adaper                                                                                                                                           | 5  | SI026642 (P20) | BionX | 22-Dec-17   |           | 1,726   |
| 26 | ✓ | ✓  | ✓ | ✓ | OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                                                                                                                 | 1  | SI025517 (P16) | BionX | 14-Sep-17   | 12-Dec-17 | -       |
| 27 | ✓ | ✓  | ✓ | ✓ | OPTA000045, OPTC000092 (3) CAN USB adaper                                                                                                                                       | 3  | SI026643 (P20) | BionX | 22-Dec-17   |           | 1,070   |
| 28 | ✓ | ✓  | ✓ | ✓ | OPTC000057 fixed ind, probe lead, IC driver half bridge, ferrite clip-on, test lead, ferrite core, TVS Diode, N-Channel, Mosfet, 12V regulator and diode, inverter & consulting | 1  | SI025517 (P16) | BionX | 14-Sep-17   | 12-Dec-17 | -       |
| 29 | ✓ | ✓  | ✓ | ✓ | rosenberfer battery connectors/MNF/bluetooth module                                                                                                                             | 20 | SI022804 (P10) | GM    | 03-Mar-17   | 18-Apr-17 | -       |
| 30 | ✓ | ✓  | ✓ | ✓ | OPTA000002 USB-8473, 1 port high-speed can interface [Dyno service only]                                                                                                        | 1  | SI026643 (P20) | BionX | 22-Dec-17   |           | 950     |
| 31 | ✓ | ✓  | ✓ | ✓ | Misc. items including: right angle pin, straight pin, connectors, multilayer ceramic                                                                                            | 1  | SI025191 (P14) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
| 32 | ✓ | ✓  | ✓ | ✓ | (3) Can USB adaptors                                                                                                                                                            | 3  | SI022805 (P11) | BionX | 06-Mar-17   | 18-Apr-17 | -       |
| 33 | ✓ | ✓  | ✓ | ✓ | BMX Singl Cassette Cogs Steel 15 Tooth, Sugino Track Chain Ring Black on dyno 4 & 5                                                                                             | 14 | SI025191 (P14) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
| 34 | ✓ | ✓  | ✓ | ✓ | OPTC0000289 - adapter stand - dyno showbike motor                                                                                                                               | 1  | SI023415 (P13) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 35 | ✓ | ✓  | ✓ | ✓ | OPTA000002 Wedge foam panels for sound chamber (glued into NVH tester)                                                                                                          | 12 | SI026643 (P20) | BionX | 22-Dec-17   |           | 738     |
| 36 | ✓ | ✓  | ✓ | ✓ | OPTA000002 500w brushless AC controller evaluation kit with bluetooth for motor testing 653 inver PCB kit                                                                       | 3  | SI026642 (P19) | BionX | 22-Dec-17   |           | 634     |
| 37 | ✓ | ✓  | ✓ | ✓ | CAN USB adaper includes drivers & 2 cables                                                                                                                                      | 2  | SI023414 (P12) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 38 | ✓ | ✓  | ✓ | ✓ | Misc items - Control cards with piccolo, debug probes                                                                                                                           | 1  | SI022804 (P10) | BionX | 03-Mar-17   | 18-Apr-17 | -       |
| 39 | ✓ | ✓  | ✓ | ✓ | Misc small parts (caps, rivets, washers, foam sheet, wire, etc) McMaster Carr vibe table                                                                                        | 1  | SI026643 (P20) | BionX | 22-Dec-17   |           | 536     |
| 40 | ✓ | ✓  | ✓ | ✓ | OPTA000002 Chain rings, SS conversion kits, 396 chain conv kits                                                                                                                 | 1  | SI026642 (P19) | BionX | 22-Dec-17   |           | 397     |
| 41 | ✓ | ✓  | ✓ | ✓ | OPTA000003 Ultra-Linear Measurement Condenser Microphone Electronics                                                                                                            | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 42 | ✓ | ✓  | ✓ | ✓ | Misc items - Control cards with piccolo, debug probes                                                                                                                           | 1  | SI022805 (P11) | BionX | 06-Mar-17   | 18-Apr-17 | -       |
| 43 | ✓ | ✓  | ✓ | ✓ | OPTA000003 Phantom power supply - NVH Test Equip                                                                                                                                | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 44 | ✓ | ✓  | ✓ | ✓ | BAC TTL Communication Harness - NVH Test Equip                                                                                                                                  | 2  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 45 | ✓ | ✓  | ✓ | ✓ | flat cables                                                                                                                                                                     | 1  | SI023415 (P13) | BionX | 10-May-17   | 06-Jun-17 | -       |
| 46 | ✓ | ✓  | ✓ | ✓ | OPTA000003 Acoustical wedge foam panels (glued into cabinet; permanently affixed)                                                                                               | 12 | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 47 | ✓ | ✓  | ✓ | ✓ | Premium phantom cables xlr female to bnc male unbalanced cable                                                                                                                  | 3  | SI026114 (P18) | BionX | 31-Oct-17   | 12-Dec-17 | -       |
| 48 | ✓ | ✓  | ✓ | ✓ | Ricardo units ** CONSIGNMENT **                                                                                                                                                 | 4  | N/A            | BionX | CONSIGNMENT |           | -       |
| 49 | ✓ | po | ✓ | ✓ | Production Validation Drive Units (Magna Validation Test Stopped on 15FEB; "LEG O")                                                                                             | 12 | PO4300554647   | BionX | 22-Sep-17   |           | 101,196 |
| 50 | ✓ | ✓  | ✓ | ✓ | GM Bike Frame ** CONSIGNMENT **                                                                                                                                                 | 1  | N/A            | BionX | CONSIGNMENT |           | -       |
| 51 | ✓ | po | ✓ | ✓ | Production Validation Drive Units (Magna Validation Test Stopped on 15FEB)                                                                                                      | 5  | PO4300554647   | Magna | 22-Sep-17   |           | 42,165  |
| 52 | ✓ | po | ✓ | ✓ | Production Validation Drive Units, Boxed but undelivered                                                                                                                        | 21 | PO4300554647   | BionX | 22-Sep-17   |           | 177,093 |
| 53 | ✓ | ✓  | ✓ | ✓ | Beta Drive Units - Completed Development Validation                                                                                                                             | 26 | SI025192 (P15) | BionX | 31-Aug-17   | 19-Sep-17 | -       |
|    |   |    |   |   |                                                                                                                                                                                 |    |                |       |             |           | 346,030 |

| GM Owned Manufacturing Tools PO# #4300237222 SODW Defined: Section 11 |               |                |               |                 |                                  |     |                |          |              |              |             |                                                                  |
|-----------------------------------------------------------------------|---------------|----------------|---------------|-----------------|----------------------------------|-----|----------------|----------|--------------|--------------|-------------|------------------------------------------------------------------|
| 02-Mar-18                                                             | BionX Invoice | Physical count | Ready to Ship | Tool Number     | Tool Name                        | Qty | Invoice Number | Location | Invoice Date | Payment Date | Outstanding | Comments                                                         |
| ✓                                                                     | ✓             | ✓              | ✓             | OPTT000027      | Stator Gluing Fixture (uncoated) | 2   | SI025192 (P15) | BionX    | 31-Aug-17    | 19-Sep-17    | -           | Part of 1810; annodized 85                                       |
| ✓                                                                     |               |                |               | OPTT000001      | Sun gear holding fixture         | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000002      | Magnet holding fixture           | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000004      | Magnet holding tool              | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000006      | Magnet seat tool                 | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     | ✓             | ✓              | ✓             |                 | Gauss Meter                      | 1   | SI025517 (P16) | BionX    | 31-Oct-17    | 12-Dec-17    | -           |                                                                  |
| ✓                                                                     | ✓             | ✓              | ✓             |                 | degauss machine                  | 1   | SI026114 (P18) | BionX    | 31-Oct-17    | 12-Dec-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000012      | Grease trap locating fixture     | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000013      | Grease trap, bearing and spacer  | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000014      | Grease trap coining tool 1       | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000034      | Grease trap coining tool 2       | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000008      | Pin locating fixture             | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000010      | Pin adjustment tool              | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000011      | Rivet Gun                        | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000031      | nest for planet carrier          | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000032      | pressing tool, planet carrier    | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000017      | Nest Output Shaft                | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000018      | Press Tool Output Shaft          | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000023      | Nest RHH                         | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000024      | Tool RHH                         | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000020      | Clutch race adapter bearing Nest | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000021      | Clutch race adapter bearing tool | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000036      | Torque Flange Fixture            | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ?                                                                     |               |                |               | no tool numbers | Press operation 1                | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           | Picture process sheets & job aids from BionX to provide evidence |
| ?                                                                     |               |                |               | no tool numbers | Press operation 2                | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ?                                                                     |               |                |               | no tool numbers | Press operation 3                | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000051      | LHH Seat fixture                 | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000026      | Fixture                          | 1   | 1810 ??        | BionX    | 10-May-17    | 06-Jun-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPPT000037      | Arbor press inverter cover       | 1   | 1810 ??        | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000019      | Plug arbor press                 | 1   | 1810 ??        | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000040      | side cutter                      | 1   | 1810 ??        | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000043      | pliers                           | 1   | 1810 ??        | BionX    | 03-Mar-17    | 18-Apr-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | TG-10           | Torque Gun (Delta Regis)         | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000045      | Die Press Tool Sun gear          | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000046      | Die Press Tool pool ring         | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000047      | Clip ring tool 1 lower sun gear  | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000048      | Clipping tool 2 upper sun gear   | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000049      | Clipping tool 3 crank shaft      | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000052      | Fixture seal grease barrier      | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000053      | Clip ring tool 4                 | 1   | 1810 ??        | BionX    | 31-Aug-17    | 19-Sep-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000033      | Torque Tube Fixture              | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000028      | Final assembly merging tool      | 1   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |
| ✓                                                                     |               |                |               | OPTT000029      | Alignment pins                   | 6   | 1810 ??        | BionX    | 14-Sep-17    | 17-Oct-17    | -           |                                                                  |

|   |   |            |                                                                                                                                                                    |              |                           |                  |                      |                      |                  |                            |
|---|---|------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|------------------|----------------------|----------------------|------------------|----------------------------|
| ✓ |   | OPTT000030 | motor final ASSY fixture                                                                                                                                           | 1            | 1810 ??                   | BionX            | 14-Sep-17            | 17-Oct-17            | -                |                            |
| ✓ |   | OPTT000054 | Motor torque holding jig                                                                                                                                           | 1            | 1810 ??                   | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ |   |            | Torque Wrench                                                                                                                                                      | 1            | 1810 ??                   | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ | ✓ |            | Pole Assembly with heat stake post                                                                                                                                 | 1            | SI022804 (P10)            | BionX            | 03-Mar-17            | 18-Apr-17            | -                |                            |
| ✓ | ✓ |            | OPTA000008 - Pole Assembly with heat stake post winding samples                                                                                                    | 1            | SI023415 (P13)            | BionX            | 10-May-17            | 06-Jun-17            | -                |                            |
| ✓ | ✓ |            | OPTC0000227 - 3M tape sheet - tooling                                                                                                                              | 1            | SI025191 (P14)            | supplier         | 31-Aug-17            | 19-Sep-17            | -                | at supplier                |
| ✓ | ✓ |            | OPTA0000203 holding /machining fixture to manufacture                                                                                                              | 1            | SI025517 (P16)            | supplier         | 14-Sep-17            | 17-Oct-17            | -                |                            |
| ✓ | ✓ |            | Misc. Parts - e.g. Crimpers, Spacers, Standoffs, Screws, Cables, Headers, etc.                                                                                     | 1            | SI022804 (P10)            | BionX            | 03-Mar-17            | 18-Apr-17            | -                |                            |
| ✓ | ✓ |            | OPTC0000244, 054 - Machining of mounting plate & Inverter cover one of each                                                                                        | 1            | SI023415 (P13)            | BionX            | 10-May-17            | 06-Jun-17            | -                |                            |
| ✓ |   |            | GM motor stator glue setting fixture                                                                                                                               | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ | ✓ |            | <del>OPTC0000031, OPTC000039, OPTC000045 bore &amp; ring gauges, adapters</del>                                                                                    | <del>4</del> | <del>SI025517 (P16)</del> | <del>BionX</del> | <del>14-Sep-17</del> | <del>17-Oct-17</del> | -                | duplicate                  |
| ✓ | ✓ |            | OPTC000094 - teflon plate for beta                                                                                                                                 | 1            | SI025191 (P14)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                | in beta units              |
| X | ✓ |            | <del>OPTA000100 Pneumatic dispenser, mixer element</del>                                                                                                           | <del>4</del> | <del>SI026642 (P20)</del> | <del>BionX</del> | <del>22-Dec-17</del> |                      | <del>1,054</del> | LOST, could not find       |
| X | ✓ |            | <del>OPTA0000014 Pin alignment tool head</del>                                                                                                                     | <del>4</del> | <del>SI026642 (P19)</del> | <del>BionX</del> | <del>22-Dec-17</del> |                      | <del>1,050</del> | LOST, could not find       |
| ✓ |   |            | Tooling stator epoxy fixture                                                                                                                                       | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ |   |            | Misc. items: Inner/Outer Tube, Aluminum base stripped pin, washer skating tool                                                                                     | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ | ✓ |            | OPTC000410 Grease shield - stator                                                                                                                                  | 1            | SI026114 (P18)            | BionX            | 31-Oct-17            | 12-Dec-17            | -                | 3D printed parts, consumed |
| ✓ | ✓ |            | OPTC000406 mounting plate, OPTC000407 mounting ring                                                                                                                | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17            | -                | trial pc, lost             |
| ✓ |   |            | OPTC000031, OPTC000039, OPTC000045 bore & ring gauges, adapters                                                                                                    | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -                |                            |
| ✓ |   |            | Miscellaneous components: test plugs, insulating sleeves, extraction tools, resistors, transistors, blade terminals, thermistor, wire, connectors, terminal blocks | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ | ✓ |            | Female socket connector, thermal liquid gap filler, mixing nozzles & cartages                                                                                      | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17            | -                | consumable                 |
| ✓ | ✓ | ✓          | OPTC000038 DC Gaussmeter model HS#582 - torque tube                                                                                                                | 1            | SI026114 (P18)            | BionX            | 31-Oct-17            | 12-Dec-17            | -                |                            |
| ✓ | ✓ |            | OPTA000014 pin alignment tool - carrier                                                                                                                            | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -                |                            |
| ✓ |   |            | crank seal and spline block                                                                                                                                        | 1            | SI025192 (P15)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |
| ✓ |   |            | OPTC000027, OPTC000032, OPTC000372 machining socket tool, aluminum ring isolator & LH housing                                                                      | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17            | -                |                            |
| ✓ | ✓ |            | OPTC000027 modify ring fixture and 3 pcs of ring                                                                                                                   | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17            | -                | modification of fixturing  |
| ✓ | ✓ |            | adhesive mounting base, anodized aluminum, 4-40 integral stud                                                                                                      | 1            | SI025191 (P14)            | BionX            | 31-Aug-17            | 19-Sep-17            | -                |                            |

|   |   |   |                                                                                                                                               |              |                           |                  |                      |           |                |                                 |
|---|---|---|-----------------------------------------------------------------------------------------------------------------------------------------------|--------------|---------------------------|------------------|----------------------|-----------|----------------|---------------------------------|
| ✓ | ✓ |   | Hard anodizing of fixture cap                                                                                                                 | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17 | -              |                                 |
| ✓ | ✓ |   | OPTC000383 rotor shaft, OPTC000360 base plate, OPTC000368 post                                                                                | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17 | -              | consumable                      |
| ✓ | ✓ |   | stator shipping disk                                                                                                                          | 5            | SI023415 (P13)            | BionX            | 10-May-17            | 06-Jun-17 | -              |                                 |
| ✓ | ✓ |   | OPTC000412 Trap holder                                                                                                                        | 1            | SI026114 (P18)            | BionX            | 31-Oct-17            | 12-Dec-17 | -              | planet gear grease trap trial   |
| ✓ | ✓ | 1 | Flexible shaft coupling iron hub with set screw                                                                                               | 4            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17 | -              | on machine                      |
| ✓ | ✓ |   | Misc. Parts - e.g. Embedded Evaluation Board, Heat shrink tube, led panel indicator, debugger, crimp pin/sockets, electronic components, etc. | 1            | SI023414 (P12)            | BionX            | 10-May-17            | 06-Jun-17 | -              |                                 |
| X | ✓ |   | <del>OPTA0000014 Washer staking tool</del>                                                                                                    | <del>1</del> | <del>SI026642 (P19)</del> | <del>BionX</del> | <del>22-Dec-17</del> |           | <del>230</del> | LOST, could not find            |
| ✓ | ✓ |   | Scriber for hardened steel & stainless steel straight retractable tip                                                                         | 1            | SI026114 (P18)            | BionX            | 31-Oct-17            | 12-Dec-17 | -              |                                 |
| ✓ | ✓ |   | OPTA000006 stator weld fixture                                                                                                                | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17 | -              | measurine of stator; inspection |
| ✓ | ✓ |   | Modify dyno adapter as per instructions, machine counterbores and grind                                                                       | 1            | SI025541 (P17)            | BionX            | 15-Sep-17            | 12-Dec-17 | -              |                                 |
| ✓ | ✓ | ✓ | crimp term male                                                                                                                               | 1            | SI022306 (P8)             | BionX            | 20-Dec-16            | 31-Jan-17 | -              |                                 |
| ✓ |   |   | OPTC000024, OPTC000059, OPTA000203 misc including torque sensing tooling, wrench strap set, deep groove ball bearing, manual syringe kit      | 1            | SI025517 (P16)            | BionX            | 14-Sep-17            | 17-Oct-17 | -              |                                 |
|   |   |   |                                                                                                                                               |              |                           |                  |                      |           | -              |                                 |

**BETA ED&D PURCHAS CONTRACT - SPOT BUY PO #4300237222**

| EQUIPMENT NOT COMPLETE: Production Equipment for End of Line Test |              |                       |                                     |                                                                                 |              | Balance Remaining on Supplier Invoice (GM require BionX to complete) |
|-------------------------------------------------------------------|--------------|-----------------------|-------------------------------------|---------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------|
|                                                                   | Qty          | Invoice Number        | Location                            | Invoice Date                                                                    | Payment Date |                                                                      |
| Full Bike Dyno (Requires Completion)                              | 1            | SI020818 (P4)         | Supplier: RG Shelley                | 01-Jun-06                                                                       | 01-Jul-16    | 45,320                                                               |
|                                                                   |              | SI021722 (P7)         |                                     | 28-Oct-16                                                                       | 06-Dec-16    |                                                                      |
|                                                                   |              | SI026642 (P19)        |                                     | 22-Dec-17                                                                       |              |                                                                      |
| <del>EOL Tester (Requires Completion)</del>                       | <del>1</del> | <del>VT10701552</del> | <del>Supplier: DV Electronics</del> | Confirmed with DV Electronics on 5Mar18, no work has started on this equipment. |              |                                                                      |
|                                                                   |              |                       |                                     |                                                                                 |              | 45,320                                                               |

# **APPENDIX 16**

BionX Canada Inc.  
Optimus Program  
Outstanding Payments to BionX

USD/CAD 1.2974

**DRAFT: FOR DISCUSSION PURPOSES ONLY**

| <b>A</b>                                           |                     | <b>B</b>              | <b>C = A - B</b>    | <b>D</b>            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|----------------------------------------------------|---------------------|-----------------------|---------------------|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| BionX Claim                                        |                     | Receiver's Adjustment | Adjusted Claim      | Proposed GM Payment | Receiver's Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>Beta Program (CAD) (PO No 4399237222)</b>       |                     |                       |                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Invoice 19 (SI026642)                              | \$ 396,755          | In Process            | 396,755             | \$ 56,798           | Invoiced 12/01/17 - See breakdown below for invoice details - GM has selected certain items on the invoice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Invoice 20 (SI026643)                              | 418,019             | In Process            | 418,019             | 13,198              | Invoiced 12/01/17 - See breakdown below for invoice details - GM has selected certain items on the invoice                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Invoice 21 (SI026688)                              | 43,230              | In Process            | 43,230              | -                   | Invoiced 12/22/17                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Invoice 22 (SI026990)                              | 285,167             | In Process            | 285,167             | -                   | Invoiced 02/16/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Invoice 23 (SI026991)                              | 216,526             | In Process            | 216,526             | -                   | Invoiced 02/16/18                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Invoice 24 +                                       | 200,000             | In Process            | 200,000             | -                   | Approximate amount. Not yet invoiced.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|                                                    | <b>\$ 1,559,697</b> | <b>\$ -</b>           | <b>\$ 1,559,697</b> | <b>\$ 69,996</b>    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Gamma Program (USD) (PO 4300554647)</b>         |                     |                       |                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Drive Units - Gamma 1                              | \$ 336,458          | \$ -                  | 336,458             | \$ -                | BionX and GM confirmed that a total of 50 Gamma Units were delivered to GM. However, 5 Gamma Units were defective and therefore returned to BionX [45 Gamma Units x US \$6,500 per Gamma Unit = US \$292,500].<br><br>BionX and GM confirmed that a total of 15 Batteries were delivered to GM [15 Batteries x US \$350 = US \$5,250].<br><br><b>Total: US \$292,500 + US \$5,250 = US \$297,250 + HST [US \$38,708] = US \$336,458</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Drive Units - Gamma 2                              | 477,425             | (36,725)              | 440,700             | 247,000             | The Receiver confirmed that there are currently 36 'Completed' Drive Units at the BionX premises [36 Drive Units x US \$6,500 per Drive Unit = US \$234,000]. In addition, there are 8 'Partially Completed' Drive Units at the BionX premises (which refers to builds that contain the motor only units). The value of the 'Partially Completed' is unavailable at this time.<br><br>Based on the shipping documentation provided by BionX, it appears that a total of 24 'Completed' Drive Units were delivered to GM, Canadian Technical Centre ("CTC"), and/or Milford Proving Ground ("MPG") (both GM subsidiaries) [24 Drive Units x US \$6,500 = US \$156,000]. More specifically, 8 Drive Units were delivered on December 13, 2017 to CTC, 2 Drive Units were delivered on December 18, 2017 to CTC, and 14 Drive Units were delivered on January 18, 2018 (8 to CTC and 6 to MPG).<br><br><b>Total: US \$234,000 + US \$156,000 = US \$390,000 + HST [US \$50,700] = US \$440,700</b><br><br>Based on the US \$247,000 proposed by GM, it appears that they are proposing to pay for 38 Drive Units still located at the BionX premises [38 Drive Units (Completed and Partially Completed) x US \$6,500/Unit = US \$234,000]. |
|                                                    | <b>\$ 813,883</b>   | <b>\$ (36,725)</b>    | <b>\$ 777,158</b>   | <b>\$ 247,000</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Production Tooling (USD) (PO 4700021739)</b>    |                     |                       |                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| 1810 R6 Rev 4 (Revised from PO, originally \$701K) | \$ 872,567          | \$ (559,325)          | 313,242             | \$ -                | The amount claimed by BionX is based on a production document submitted to GM (1810 Tooling Detail Form) estimating the cost to manufacture the tooling required for the production of the Drive Units. GM had also issued a PO for the manufacturing of the Production Tooling.<br><br>The Receiver's Estimate of \$313,242 is comprised of: (i) \$125,742.40 representing parts that BionX paid for and are not physically located in the BionX premises and (ii) \$187,500 representing the total supplier tool cost (excluding applicable taxes) of Production Tooling located at the BionX's premises.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Production Parts (CAD) (PO 4300557102)</b>      |                     |                       |                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Purchase Order: PO 4300557102                      | \$ 457,992          | \$ -                  | \$ 457,992          | \$ -                | The Production Parts are all located at the BionX premises and have been physically counted and segregated. Approximately \$119,971 of the Production Parts were delivered to BionX within 30 days prior to the Receivership date.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>End of Line Tester (CAD)</b>                    |                     |                       |                     |                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Purchase Order: PO011810-1                         | \$ 317,482          | \$ (317,482)          | \$ -                | \$ -                | A purchase order ("PO") was submitted to a third party supplier to manufacture this equipment [D&V Electronics] for a total of \$317,482 including HST. BionX has not made any payments to D&V Electronics. GTL called D&V Electronics and confirmed that no payments have been made and production on the equipment has not started.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Total Owing to BionX (CAD) to Date</b>          | <b>\$ 4,523,171</b> | <b>\$ (1,090,797)</b> | <b>\$ 3,432,374</b> | <b>\$ 390,450</b>   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |

# **APPENDIX 17**

Production Parts Inventory

Optimus MASTER BOM

|    | IMAGE                                                                               | PART NUMBER | PART NAME                             | Piece Price (5K) | Cost/ Assy | Currency | Comments                | QTY on hand Feb 22 | Inventory cost |
|----|-------------------------------------------------------------------------------------|-------------|---------------------------------------|------------------|------------|----------|-------------------------|--------------------|----------------|
|    |    | OPTA000002  | DRIVE UNIT ASSEMBLY                   |                  |            |          |                         |                    |                |
| 1  |     | OPTC000032  | HOUSING - MOTOR, LH                   | \$ 11.05         | \$ 11.05   | US       |                         | 42                 | \$ 464.10      |
| 2  |     | OPTA000397  | STATOR ASSEMBLY W PCB CONNECTION RING | \$ 41.75         | \$ 41.75   | US       |                         | 811                | \$ 33,859.25   |
| 3  |     | OPTC000410  | GREASE SHIELD 1                       | \$ 0.15          | \$ 0.15    | US       |                         | 143                | \$ 20.74       |
| 4  |                                                                                     | OPTC000154  | ADHESIVE                              | \$ 1.52          | \$ 1.52    | US       |                         | 0                  | \$ -           |
| 5  |    | OPTC000043  | BEARING - ROTOR                       | \$ 4.72          | \$ 4.72    | US       |                         | 180                | \$ 849.60      |
| 6  |    | OPTC000024  | BEARING - CRANKSHAFT                  | \$ 0.96          | \$ 1.92    | US       |                         | 1004               | \$ 963.84      |
| 7  |  | OPTC000396  | SEAL - CRANKSHAFT                     | \$ 0.12          | \$ 0.24    | US       |                         | 1123               | \$ 134.76      |
| 8  |  | OPTC000047  | FLANGE - TORQUE SENSOR MTG            | \$ 1.25          | \$ 1.25    | US       |                         | 1033               | \$ 1,291.25    |
| 9  |   | OPTC000201  | GEAR - RING 1                         | \$ 82.96         | \$ 82.96   | US       |                         | 141                | \$ 11,697.36   |
| 10 |   | OPTC000490  | TORQUE SENSOR ASSEMBLY                | \$ 184.50        | \$ 184.50  | US       |                         | 202                | \$ 37,269.00   |
| 11 |   | OPTC000092  | CABLE - TORQUE SENSOR                 | \$ 2.08          | \$ 2.08    | US       |                         | 2000               | \$ 4,160.00    |
| 12 |  | OPTC000167  | COUPLER - RING GEAR 1                 | \$ 0.79          | \$ 0.79    | US       |                         | 2072               | \$ 1,636.88    |
| 13 |  | OPTC000094  | PLATE - RING GEAR 1                   | \$ 1.70          | \$ 1.70    | US       |                         | 1155               | \$ 1,963.50    |
| 14 |  | OPTC000185  | WIRE RING - RING GEAR 1               | \$ 0.48          | \$ 0.48    | US       |                         | 2601               | \$ 1,248.48    |
| 15 |   | TBXC000012  | BOLT - TORQUE SENSOR MTG              | \$ 0.02          | \$ 0.06    | US       |                         | 23696              | \$ 466.81      |
| 16 |                                                                                     | OPTC000264  | PASTE - RING GEAR 1 COUPLER           | \$ 58.27         | \$ 0.29    | US       |                         | 0                  | \$ -           |
| 17 |  | OPTC000062  | O-RING - 0.098-4.09N700-SV            | \$ 0.24          | \$ 0.24    | US       |                         | 9673               | \$ 2,321.52    |
| 18 |  | OPTC000058  | O-RING - 2.500-34N700                 | \$ 0.07          | \$ 0.07    | US       |                         | 17827              | \$ 1,247.89    |
| 19 |   | OPTC000057  | INVERTER ASSY W. CABLE                | \$ 72.65         | \$ 72.65   | US       |                         | 1000               | \$ 72,650.00   |
| 20 |   | OPTC000055  | CONNECTOR - MOTOR                     | \$ 0.71          | \$ 0.71    | US       |                         | 5113               | \$ 3,630.23    |
| 21 |   | OPTC000159  | COVER - INVERTER                      | \$ 7.04          | \$ 7.04    | US       | Hebang - sister company | 34                 | \$ 239.36      |
| 22 |                                                                                     | TBXC000013  | SCREW - MOTOR CONNECTOR MTG           | \$ 0.03          | \$ 0.06    | US       |                         | 16420              | \$ 492.60      |
| 23 |  | TBXC000004  | SCREW - INVERTER MTG                  | \$ 0.01          | \$ 0.04    | US       |                         | 1000               | \$ 12.80       |
| 24 |  | TBXC000005  | SCREW - INVERTER COVER ASSY MTG       | \$ 0.01          | \$ 0.04    | US       |                         | 24122              | \$ 332.88      |
| 25 |  | OPTC000227  | TAPE - INVERTER CAP MTG               | \$ 0.29          | \$ 0.29    | US       |                         | 6443               | \$ 1,868.47    |
| 26 |  | OPTC000226  | CAP - INVERTER COVER                  | \$ 0.82          | \$ 0.82    | US       |                         | 152                | \$ 124.64      |
| 27 |   | OPTC000555  | PLUG - INVERTER CONNECTOR COVER       | \$ 0.67          | \$ 0.67    | US       |                         | 27                 | \$ 18.09       |
| 28 |  | OPTC000556  | O-RING, INVERTER PLUG                 | \$ 0.16          | \$ 0.16    | US       |                         | 8422               | \$ 1,347.52    |
| 29 |                                                                                     | OPTC000560  | GREASE - GEAR                         | \$ 213.45        | \$ 1.64    | US       |                         | 0                  | \$ -           |
| 30 |                                                                                     | OPTC000154  | ADHESIVE                              | \$ 1.52          | \$ 0.76    | US       |                         | 0                  | \$ -           |
| 31 |   | OPTC000048  | O-RING - INVERTER COVER               | \$ 0.26          | \$ 0.26    | US       |                         | 9535               | \$ 2,479.10    |

# Optimus MASTER BOM

|    | IMAGE                                                                               | PART NUMBER | PART NAME                       | Piece Price (5K) | Cost/ Assy | Currency | Comments           | QTY on hand Feb 22 |                |
|----|-------------------------------------------------------------------------------------|-------------|---------------------------------|------------------|------------|----------|--------------------|--------------------|----------------|
|    |                                                                                     |             |                                 |                  |            |          |                    |                    | Inventory cost |
| 32 |     | OPTC000031  | HOUSING - MOTOR, RH             | \$ 8.28          | \$ 8.28    | US       |                    | 0                  | \$ -           |
| 33 |     | OPTC000562  | BEARING - MOTOR HOUSING, RH     | \$ 5.15          | \$ 5.15    | US       |                    | 172                | \$ 885.80      |
| 34 |     | OPTC000480  | SHAFT - MOTOR OUTPUT            | \$ 19.00         | \$ 19.00   | US       |                    | 3                  | \$ 57.00       |
| 36 |     | OPTC000036  | CLIP - OUTPUT SHAFT             | \$ 0.12          | \$ 0.12    | US       |                    | 4163               | \$ 499.56      |
| 37 |    | OPTC000035  | SHIELD - RATCHET CLUTCH         | \$ 0.64          | \$ 0.64    | US       |                    | 1235               | \$ 790.40      |
| 38 |     | OPTA000406  | CLUTCH RACE W/ ADAPTER ASSY     | \$ 16.76         | \$ 16.76   | US       |                    | 33                 | \$ 553.08      |
| 39 |     | OPTC000026  | ADAPTER - RING GEAR 2           | \$ 2.72          | \$ 2.72    | US       |                    | 937                | \$ 2,548.64    |
| 40 |  | OPTC000030  | BEARING - RING GEAR 2 ASSY      | \$ 4.39          | \$ 4.39    | US       |                    | 204                | \$ 895.56      |
| 41 |   | OPTC000027  | RACE - SPRAG CLUTCH             | \$ 4.20          | \$ 4.20    | US       |                    | 50                 | \$ 210.00      |
| 42 |  | OPTC000029  | CLUTCH - SPRAG                  | \$ 29.08         | \$ 29.08   | US       |                    | 2141               | \$ 62,260.28   |
| 43 |  | OPTC000045  | SEAL-GREASE BARRIER             | \$ 0.33          | \$ 0.33    | US       |                    | 9888               | \$ 3,263.04    |
| 44 |   | OPTC000206  | GEAR - RING 2                   | \$ 79.40         | \$ 79.40   | US       |                    | 141                | \$ 11,195.40   |
| 45 |                                                                                     | OPTC000189  | GREASE - GEAR                   | \$ 213.45        | \$ 2.92    | US       |                    | 0                  | \$ -           |
| 46 |   | OPTC000036  | CLIP - OUTPUT SHAFT             | \$ 0.24          | \$ 0.24    | US       |                    | 4163               | \$ 999.12      |
| 47 |   | OPTC000470  | CLIP RING - CRANKSHAFT          | \$ 0.09          | \$ 0.09    | US       |                    | 2153               | \$ 193.77      |
| 48 |   | OPTC000037  | CRANK SHAFT                     | \$ 54.68         | \$ 54.68   | US       |                    | 201                | \$ 10,990.68   |
| 49 |   | OPTC000038  | TORQUE TUBE                     |                  | \$ -       |          | Part of OPTC000490 | 202                | \$ -           |
| 50 |   | OPTC000041  | CLUTCH - RATCHET                | \$ 5.51          | \$ 11.02   | US       |                    | 2146               | \$ 11,824.46   |
| 51 |   | OPTC000039  | SPRING RING - RATCHET CLUTCH    | \$ 0.07          | \$ 0.07    | US       |                    | 10891              | \$ 762.37      |
| 52 |                                                                                     | OPTC000186  | GREASE - BEARING                | \$ 160.44        | \$ 1.60    | US       |                    | 0                  | \$ -           |
| 53 |   | OPTC000070  | BUSHING - TORQUE TUBE ASSY      | \$ 0.49          | \$ 0.49    | US       |                    | 8099               | \$ 3,968.51    |
| 54 |   | OPTC000175  | POLE RING                       |                  | \$ -       |          | Part of OPTC000490 | 269                | \$ -           |
| 55 |   | OPTC000071  | THRUST WASHER                   | \$ 0.48          | \$ 0.48    | US       |                    | 2067               | \$ 992.16      |
| 56 |   | OPTC000014  | PLANET CARRIER                  | \$ 3.05          | \$ 3.05    | US       |                    | 937                | \$ 2,857.85    |
| 57 |   | OPTC000023  | WASHER, THRUST                  | \$ 5.00          | \$ 30.00   | US       |                    | 6233               | \$ 31,165.00   |
| 58 |   | OPTC000020  | BEARING - PLANET GEAR           | \$ 1.15          | \$ 6.90    | US       |                    | 3741               | \$ 4,302.15    |
| 59 |   | OPTC000017  | GREASE TRAP                     | \$ 0.33          | \$ 1.98    | US       |                    | 442                | \$ 145.86      |
| 60 |   | OPTC000097  | SPACER - BEARING, PLANET GEAR   | \$ 0.50          | \$ 1.50    | US       |                    | 3284               | \$ 1,638.72    |
| 61 |   | OPTA000015  | PLANET GEAR ASSY PRESS FIT      | \$ 72.70         | \$ 218.10  | US       |                    | 0                  | \$ -           |
| 62 |   | OPTC000015  | PIN - PLANET GEAR               | \$ 0.67          | \$ 2.01    | US       |                    | 1950               | \$ 1,306.50    |
| 63 |   | OPTC000016  | LOCKING PLATE - PLANET GEAR PIN | \$ 0.33          | \$ 0.99    | US       |                    | 718                | \$ 236.94      |
| 64 |   | OPTC000022  | POP RIVET                       | \$ 0.07          | \$ 0.42    | US       |                    | 35694              | \$ 2,498.58    |

Optimus MASTER BOM

|                          | IMAGE                                                                              | PART NUMBER | PART NAME                        | Piece Price (5K) | Cost/ Assy  | Currency | Comments                                                                                | QTY on hand Feb 22 | Inventory cost |
|--------------------------|------------------------------------------------------------------------------------|-------------|----------------------------------|------------------|-------------|----------|-----------------------------------------------------------------------------------------|--------------------|----------------|
| 65                       |    | OPTC000073  | THRUST BEARING - PLANET CARRIER  | \$ 3.40          | \$ 3.40     | US       |                                                                                         | 2102               | \$ 7,146.80    |
| 66                       |                                                                                    | OPTC000186  | GREASE - BEARING                 | \$ 160.44        | \$ 1.60     | US       |                                                                                         | 0                  | \$ -           |
| 67                       |                                                                                    | OPTC000560  | GREASE - GEAR                    | \$ 213.45        | \$ 1.64     | US       |                                                                                         | 0                  | \$ -           |
| 68                       |   | OPTC000084  | CLIP - CRANKSHAFT, ROTOR BEARING | \$ 0.25          | \$ 0.50     | US       |                                                                                         | 536                | \$ 134.00      |
| 69                       |  | OPTA000203  | GEAR - SUN                       | \$ 42.87         | \$ 42.87    | US       |                                                                                         | 422                | \$ 18,091.14   |
| 70                       |  | OPTC000013  | BEARING - SUN GEAR ASSY          | \$ 2.56          | \$ 2.56     | US       |                                                                                         | 2                  | \$ 5.12        |
| 71                       |  | OPTC000011  | MAGNET - ROTOR, NORTH            | \$ 0.89          | \$ 6.23     | US       |                                                                                         | 21304              | \$ 18,960.56   |
| 72                       |  | OPTC000012  | MAGNET - ROTOR, SOUTH            | \$ 0.89          | \$ 6.23     | US       |                                                                                         | 21482              | \$ 19,118.98   |
| 73                       |  | OPTC000099  | CAGE - ROTOR MAGNET              | \$ 0.17          | \$ 0.17     | US       |                                                                                         | 54                 | \$ 9.34        |
| 74                       |                                                                                    | OPTC000154  | ADHESIVE                         | \$ 1.52          | \$ 0.76     | US       |                                                                                         | 0                  | \$ -           |
| 75                       |                                                                                    | OPTC000560  | GREASE - GEAR                    | \$ 213.45        | \$ 1.64     | US       |                                                                                         | 0                  | \$ -           |
| 76                       |  | TBXC000011  | SCREW -                          | \$ 0.05          | \$ 0.29     | US       |                                                                                         | 48599              | \$ 2,386.21    |
| 77                       |                                                                                    | OPTC000560  | GREASE - GEAR                    | \$ 213.45        | \$ 1.64     | US       | Represents the entire inventory (11kg @ \$90.44/kg) -- used in various areas on the BOM | 4.661              | \$ 994.89      |
| 78                       |  | OPTC000066  | SEAL - RING GEAR 2               | \$ 2.56          | \$ 2.56     | US       |                                                                                         | 3068               | \$ 7,854.08    |
| 79                       |  | OPTA000356  | CHAINRING ASSY                   | \$ 161.69        | \$ 161.69   | US       |                                                                                         | 7                  | \$ 1,131.83    |
| 80                       |  | OPTC000051  | LOCK NUT - SPIDER ASSY           | \$ 11.87         | \$ 11.87    | US       |                                                                                         | 1028               | \$ 12,202.36   |
| Total Material Cost/Assy |                                                                                    |             |                                  |                  | \$ 1,173.19 | US       |                                                                                         |                    | \$ -           |
| 81                       |  | OPTA000100  | BATTERY ASSEMBLY                 | \$ 250.00        | \$ 250.00   | US       | Need updated cost breakdown                                                             | 0                  | \$ -           |
| 82                       |  | OPTA000300  | BATTERY CHARGER                  | \$ 33.98         | \$ 33.98    | US       |                                                                                         | 0                  | \$ -           |
| 83                       |  | OPTA000045  | CAN NODE                         | \$ 16.64         | \$ 16.64    | US       |                                                                                         | 1063               | \$ 17,688.32   |
| 84                       |  | OPTA000046  | SPEED SENSOR                     | \$ 5.55          | \$ 5.55     | US       |                                                                                         | 2022               | \$ 11,222.10   |
| 85                       |                                                                                    | OPTC000351  | Magnet - Speed Sensor            | \$ 0.14          | \$ 0.14     | US       |                                                                                         | 8560               | \$ 1,198.40    |
| 86                       |                                                                                    | OPTC000350  | Magnet - Holder                  | \$ 0.22          | \$ 0.22     | US       |                                                                                         | 72                 | \$ 15.84       |

\$ 457,992.07

# **APPENDIX 18**

New Tools

SMART 1810 Tooling Detail Form – Tools, Fixtures, Gauges

DATE :

SUPPLIER NAME :

SUPPLIER CONTACT :

CONTACT PHONE NUMBER :

CONTACT EMAIL :

04/20/2017

BionX International

Paul Gingl

905-726-9105

pgingl@ridebionx.com

SELLERS INVOICING DUNS / COFOR# :

243829467

SAP PARENT EQUIPMENT NUMBER :

ANNUAL CAPACITY QUOTED / LEAD WEEKS :

CURRENCY (Double Click to Select) :

TYPE / AUTHORITY :

SHIFTS/DAY :

PPAP DATE (MM/DD/YY) :

PROGRAM / MODEL YEAR / PART DESCRIPTION :

800025

USD

TKO

1240

Jan 15/18

Optimus 2017/18

TOOLING ADDITIONAL COMMENTS (ie Unique materials, processes, other important information)

ADD / DELETE ROWS Number  
of Rows to Add

1

| PART NAME<br>(Required)      | PART NUMBER (Required) | TIME<br>(Required) | SAP VT # | TOOL CATEGORY (Required) | TOOL TYPE/DESCRIPTION<br>(Required) | TOOL CYCLE<br>TIME<br>(Seconds per<br>cycle) (Required) | PIECES PER<br>CYCLE (Required) | QUANTITY OF<br>TOOLS<br>(Required) | COUNTRY OF TOOL<br>MANUFACTURER<br>(Required) | TOOL LOCATION<br>COUNTRY<br>(Required) | TOOL LOCATION DUNS<br>(Required) | COUNTRY OF GM<br>MANUFACTURING<br>LOCATION<br>(Required) | SAP<br>COMPANY<br>CODE | TOTAL SUPPLIER TOOL<br>COST (EXCL. OF TAX)<br>(Required) | CUSTOMS DUTIES<br>INCLUDED IN TOOL COST<br>(Duty Rate Only)<br>(Required) | PROGRESSIVE PAYMENT TYPE (Required) | TRANSACTIONAL<br>TAX RATE<br>(Required) | TAX AMOUNT<br>(Calculated) | TOTAL INVOICED<br>AMOUNT (INCL.<br>TAX)<br>(Calculated) | TRANSACTIONAL<br>TAX RATE<br>Recoverable<br>(Required) | GPS/E2 Input TOTAL<br>TOOLING AMOUNT<br>(INCL. Non-<br>Recoverable VAT<br>TAX) (Calculated) | SUPPLIER COMMENTS |
|------------------------------|------------------------|--------------------|----------|--------------------------|-------------------------------------|---------------------------------------------------------|--------------------------------|------------------------------------|-----------------------------------------------|----------------------------------------|----------------------------------|----------------------------------------------------------|------------------------|----------------------------------------------------------|---------------------------------------------------------------------------|-------------------------------------|-----------------------------------------|----------------------------|---------------------------------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------|
| Annulus Ring Gear 1          | 24288312               |                    |          | Misc                     | Other-Gear forming and fixtures     | 700                                                     | 1                              | 1                                  | United States                                 | United States                          | 6570626                          | US                                                       | 1000                   | 4,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 4,000                                                   | No                                                     | 4,000                                                                                       | OPTC000201        |
| Annulus Ring Gear 2          | 24288312               |                    |          | Misc                     | Other-Gear forming and fixtures     | 700                                                     | 1                              | 1                                  | United States                                 | United States                          | 6570626                          | US                                                       | 1000                   | 4,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 4,000                                                   | No                                                     | 4,000                                                                                       | OPTC000206        |
| Planet Gear (2 piece design) | 24288312               |                    |          | Misc                     | Other-Gear forming and fixtures     | 700                                                     | 1                              | 1                                  | United States                                 | United States                          | 6570626                          | US                                                       | 1000                   | 7,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 7,000                                                   | No                                                     | 7,000                                                                                       | OPTA000015        |
| Housing, RH                  | 24288312               |                    |          | Casting                  | Hi Pressure Die Cast 1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 421301568                        | US                                                       | 1000                   | 4,200.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 4,200                                                   | No                                                     | 4,200                                                                                       | OPTC000031        |
| Housing, LH                  | 24288312               |                    |          | Casting                  | Hi Pressure Die Cast 1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 421301568                        | US                                                       | 1000                   | 7,600.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 7,600                                                   | No                                                     | 7,600                                                                                       | OPTC000032        |
| Cage, Rotor Magnet           | 24288312               |                    |          | Mold                     | InjectionPlastic 1/3/4              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 421301568                        | US                                                       | 1000                   | 6,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 6,000                                                   | No                                                     | 6,000                                                                                       | OPTC000099        |
| Torque Sensor PCB tooling    | 24288312               |                    |          | Misc                     | Other-PCB tooling                   | 700                                                     | 1                              | 1                                  | Other                                         | Other                                  | 366172505                        | US                                                       | 1000                   | 33,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 33,000                                                  | No                                                     | 33,000                                                                                      | OPTC000059        |
| Cap - Inverter Cover         | 24288312               |                    |          | Mold                     | InjectiorPlastic 1/3/1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 544461249                        | US                                                       | 1000                   | 15,500.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 15,500                                                  | No                                                     | 15,500                                                                                      | OPTC000226        |
| Ring Gear Adapter            | 24288312               |                    |          | Casting                  | Die Casting 1                       | 700                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 48,200.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 48,200                                                  | No                                                     | 48,200                                                                                      | OPTC000026        |
| Stator Insulator             | 24288312               |                    |          | Mold                     | InjectionPlastic 12/4/1             | 700                                                     | 1                              | 1                                  | China                                         | China                                  | 421342453                        | US                                                       | 1000                   | 12,500.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 12,500                                                  | No                                                     | 12,500                                                                                      | OPTC000232        |
| Bracket - Magnet, Speed      | 24288312               |                    |          | Stamping                 | Forming 15x50                       | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 527055052                        | US                                                       | 1000                   | 3,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 3,500                                                   | No                                                     | 3,500                                                                                       | OPTC000350        |
| Separator - Cell, Battery    | 24288318               |                    |          | Mold                     | InjectionPlastic 1/2/1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 544908668                        | US                                                       | 1000                   | 16,500.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 16,500                                                  | No                                                     | 16,500                                                                                      | OPTC000404        |
| Carrier - Planet             | 24288312               |                    |          | Casting                  | Die Casting 1                       | 700                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 43,750.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 43,750                                                  | No                                                     | 43,750                                                                                      | OPTC000014        |
| Plug - Charger Port Cover    | 24288318               |                    |          | Mold                     | Injection Rubber 1/1/1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 544908668                        | US                                                       | 1000                   | 4,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 4,500                                                   | No                                                     | 4,500                                                                                       | OPTC000482        |
| Rotor Magnet Assy & Curing   | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 200                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 15,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 15,000                                                  | Yes                                                    | 15,000                                                                                      | OPTA000010        |
| Rotor Bearing Install        | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 210                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 2,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 2,500                                                   | Yes                                                    | 2,500                                                                                       | OPTA000012        |
| Carrier Assy                 | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 420                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 10,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,000                                                  | Yes                                                    | 10,000                                                                                      | OPTA000014        |
| Planet Gear Assy             | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 180                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 10,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,000                                                  | Yes                                                    | 10,000                                                                                      | OPTA000016        |
| Output Shaft Assy            | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 65                                                      | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 5,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 5,000                                                   | Yes                                                    | 5,000                                                                                       | OPTA000017        |
| Ring Gear Sub Assy           | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 290                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 5,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 5,000                                                   | Yes                                                    | 5,000                                                                                       | OPTA000018        |
| RH Housing Sub Assy          | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 60                                                      | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 7,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 7,500                                                   | Yes                                                    | 7,500                                                                                       | OPTA000019        |
| Crank/Torque Tube Sub Assy   | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 225                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 10,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,000                                                  | Yes                                                    | 10,000                                                                                      | OPTA000023        |
| RH Housing Final Assy        | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 550                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 20,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 20,000                                                  | Yes                                                    | 20,000                                                                                      | OPTA000021        |
| LH Housing Final Assy        | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 300                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 7,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 7,500                                                   | Yes                                                    | 7,500                                                                                       | OPTA000020        |
| HI Pot Test Fixture          | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 300                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 10,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,000                                                  | Yes                                                    | 10,000                                                                                      | OPTA000020        |
| Stator/Phase Ring Assy       | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 600                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 15,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 15,000                                                  | Yes                                                    | 15,000                                                                                      | OPTA000005        |
| Inverter Cover Assy          | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 45                                                      | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 5,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 5,000                                                   | Yes                                                    | 5,000                                                                                       | OPTA000024        |
| Phase Ring Soldering Fixture | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 300                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 15,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 15,000                                                  | Yes                                                    | 15,000                                                                                      | OPTA000033        |
| Electric Module Assy         | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 455                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 10,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,000                                                  | Yes                                                    | 10,000                                                                                      | OPTA000040        |
| LH Housing/Stator Install    | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 600                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 15,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 15,000                                                  | Yes                                                    | 15,000                                                                                      | OPTA000054        |
| Shield - Grease              | 24288312               |                    |          | Mold                     | InjectionPlastic 1/1/0              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 421301568                        | US                                                       | 1000                   | 14,200.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 14,200                                                  | No                                                     | 14,200                                                                                      | OPTC000410        |
| Motor Joining Assy           | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 700                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 25,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 25,000                                                  | Yes                                                    | 25,000                                                                                      | OPTA000003        |
| EOL Tester                   | 24288312               |                    |          | Misc                     | Other-Custom EOL tester             | 180                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 243829467                        | US                                                       | 1000                   | 47,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 47,000                                                  | Yes                                                    | 47,000                                                                                      | OPTA000003        |
| Cap - Front End, Battery     | 24288318               |                    |          | Mold                     | InjectionPlastic 1/1/1              | 500                                                     | 1                              | 1                                  | China                                         | China                                  | 544908668                        | US                                                       | 1000                   | 7,800.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 7,800                                                   | No                                                     | 7,800                                                                                       | OPTC000495        |
| Seal - Crank Shaft           | 24288312               |                    |          | Mold                     | InjectionPlastic 1/1/0              | 700                                                     | 1                              | 1                                  | China                                         | China                                  | 545314486                        | US                                                       | 1000                   | 12,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 12,000                                                  | No                                                     | 12,000                                                                                      | OPTC000396        |
| Spider - Sprocket            | 24288312               |                    |          | Forming                  | Forging Die                         | 700                                                     | 1                              | 1                                  | Taiwan                                        | Taiwan                                 | 38927889                         | US                                                       | 1000                   | 21,000.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 21,000                                                  | No                                                     | 21,000                                                                                      | OPTC000250        |
| Ring Gear 1                  | 24288312               |                    |          | Misc                     | Other-Gear cutting                  | 700                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 203644646                        | US                                                       | 1000                   | 3,250.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 3,250                                                   | Yes                                                    | 3,250                                                                                       | OPTC000201        |
| Ring Gear 2                  | 24288312               |                    |          | Misc                     | Other-Gear Cutting                  | 700                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 203644646                        | US                                                       | 1000                   | 3,250.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 3,250                                                   | Yes                                                    | 3,250                                                                                       | OPTC000206        |
| Planet Gear                  | 24288312               |                    |          | Misc                     | Other-Gear Cutting                  | 700                                                     | 1                              | 1                                  | Canada                                        | Canada                                 | 203644646                        | US                                                       | 1000                   | 6,500.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 6,500                                                   | Yes                                                    | 6,500                                                                                       | OPTA000015        |
| Torque Sensor Housing        | 24288312               |                    |          | Mold                     | InjectionPlastic 1/2/1              | 600                                                     | 1                              | 1                                  | Other                                         | Other                                  | 366172505                        | US                                                       | 1000                   | 24,200.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 24,200                                                  | No                                                     | 24,200                                                                                      | OPTC000059        |
| Torque Sensor Cover          | 24288312               |                    |          | Mold                     | InjectionPlastic 1/2/1              | 600                                                     | 1                              | 1                                  | Other                                         | Other                                  | 366172505                        | US                                                       | 1000                   | 18,700.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 18,700                                                  | No                                                     | 18,700                                                                                      | OPTC000059        |
| Sensor Shaft                 | 24288312               |                    |          | Forming                  | Forging Die                         | 600                                                     | 1                              | 1                                  | Other                                         | Other                                  | 366172505                        | US                                                       | 1000                   | 16,500.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 16,500                                                  | No                                                     | 16,500                                                                                      | OPTC000059        |
| Torque Sensor Assy Line      | 24288312               |                    |          | Jig_or_Fixture           | Assembly J/F                        | 600                                                     | 1                              | 1                                  | Other                                         | Other                                  | 366172505                        | US                                                       | 1000                   | 37,400.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 37,400                                                  | No                                                     | 37,400                                                                                      | OPTC000059        |
| Ring gear adapter - trim     | 24288312               |                    |          | Misc                     | Other-Trimming Die                  | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 10,800.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,800                                                  | No                                                     | 10,800                                                                                      | OPTC000026        |
| Ring gear adapter - mach     | 24288312               |                    |          | Jig_or_Fixture           | Machining J/F                       | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 21,900.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 21,900                                                  | No                                                     | 21,900                                                                                      | OPTC000026        |
| Ring gear adapter - gauge    | 24288312               |                    |          | Misc                     | Other-Gauge                         | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 5,000.00                                                 | 0.000%                                                                    | None                                | 0%                                      | 0                          | 5,000                                                   | No                                                     | 5,000                                                                                       | OPTC000026        |
| Carrier - planet - trim      | 24288312               |                    |          | Misc                     | Other-Trimming die                  | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 10,800.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 10,800                                                  | No                                                     | 10,800                                                                                      | OPTC000014        |
| Carrier - planet - Mach op10 | 24288312               |                    |          | Jig_or_Fixture           | Machining J/F                       | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 21,850.00                                                | 0.000%                                                                    | None                                | 0%                                      | 0                          | 21,850                                                  | No                                                     | 21,850                                                                                      | OPTC000014        |
| Carrier - planet - Mach op20 | 24288312               |                    |          | Jig_or_Fixture           | Machining J/F                       | 600                                                     | 1                              | 1                                  | China                                         | China                                  | 545282670                        | US                                                       | 1000                   | 23,200.00                                                | 0                                                                         |                                     |                                         |                            |                                                         |                                                        |                                                                                             |                   |

# **APPENDIX 19**

BionX Canada Inc.

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Details of Production Tooling per 1810 Tooling Detail Form

| PART NAME                                | TOOL<br>LOCATION<br>COUNTRY | BionX PO # | TOTAL SUPPLIER<br>TOOL COST<br>(EXCL. OF TAX) | Paid by BionX | Amount<br>Outstanding | Optimus Part Number | Supplier        | Comments                         |
|------------------------------------------|-----------------------------|------------|-----------------------------------------------|---------------|-----------------------|---------------------|-----------------|----------------------------------|
| Production Tooling NOT at BionX Premises |                             |            |                                               |               |                       |                     |                 |                                  |
| Annulus Ring Gear 1                      | United States               |            |                                               |               |                       | OPTC000201          | Delta           | Paid in BETA                     |
| Annulus Ring Gear 2                      | United States               |            |                                               |               |                       | OPTC000206          | Delta           | Paid in BETA                     |
| Planet Gear (2 piece design)             | United States               |            |                                               |               |                       | OPTA000015          | Delta           | Paid in BETA                     |
| Housing, RH                              | China                       |            | \$ 4,200.00                                   | N/A           | 4,200.00              | OPTC000031          | Hebang          |                                  |
| Housing, LH                              | China                       | po011602   | 7,600.00                                      | 0.00          | 7,600.00              | OPTC000032          | Hebang          |                                  |
| Inverter Cover                           | China                       |            | 11,100.00                                     | N/A           | 11,100.00             | OPTC000159          | Xingyuan        | ADDED                            |
| Cage, Rotor Magnet                       | China                       |            | 6,000.00                                      | N/A           | 6,000.00              | OPTC000099          | Hebang          |                                  |
| Torque Sensor PCB tooling                | Other                       | po011490   | 129,800.00                                    | 0.00          | 129,800.00            | OPTC000059          | Methode         |                                  |
| Cap - Inverter Cover                     | China                       | po010660   | 15,154.00                                     | 9,092.40      | 6,061.60              | OPTC000226          | Runner          |                                  |
| Ring Gear Adapter                        | China                       | po011433   | 85,900.00                                     | 42,950.00     | 42,950.00             | OPTC000026          | IKD             |                                  |
| Stator Insulator                         | China                       |            | 12,500.00                                     | N/A           | 12,500.00             | OPTC000232          | 3X              |                                  |
| Bracket - Magnet, Speed                  | China                       | po011478   | 3,300.00                                      | 0.00          | 3,300.00              | OPTC000350          | Lakel           |                                  |
| Separator - Cell, Battery                | China                       | po011408   | 16,510.00                                     | 0.00          | 16,510.00             | OPTC000404          | DLG             | Battery -                        |
| Carrier - Planet                         | China                       | po011433   | 99,600.00                                     | 49,800.00     | 49,800.00             | OPTC000014          | IKD             |                                  |
| Plug - Charger Port Cover                | China                       | po011563   | 4,500.00                                      | 0.00          | 4,500.00              | OPTC000482          | DLG             | Battery - Charger port cover     |
| Shield - Grease                          | China                       | po011658   | 12,500.00                                     | 0.00          | 12,500.00             | OPTC000410          | Hebang          | Modification needed +\$1500      |
| EOL Tester                               | Canada                      |            | 47,000.00                                     | N/A           | 47,000.00             | OPTA000003          | D&V             | No payments made                 |
| Cap - Front End, Battery                 | China                       | po011408   | 7,522.00                                      | 0.00          | 7,522.00              | OPTC000495          | DLG             |                                  |
| Seal - Crank Shaft                       | China                       | po011404   | 12,000.00                                     | 8,200.00      | 3,800.00              | OPTC000396          | Memtech/Taitech | Check invoicing - 30% unpaid???? |
| Spider - Sprocket                        | Taiwan                      | po011178   | 21,000.00                                     | 8,500.00      | 12,500.00             | OPTC000250          | Gates           |                                  |
| Ring Gear 1                              | Canada                      | po011600   | 3,250.00                                      | 0.00          | 3,250.00              | OPTC000201          | ODG             |                                  |
| Ring Gear 2                              | Canada                      | po011600   | 3,250.00                                      | 0.00          | 3,250.00              | OPTC000206          | ODG             |                                  |
| Planet Gear                              | Canada                      | po011600   | 6,500.00                                      | 0.00          | 6,500.00              | OPTA000015          | ODG             |                                  |
| Sun Gear                                 | Canada                      | po011831   | 61,573.00                                     | 0.00          | 61,573.00             | OPTA000203          | ODG             |                                  |
| Thrust Washer                            | Germany                     | po011878   | 25,000.00                                     | 0.00          | 25,000.00             | OPTC000023          | GGB             |                                  |
| Housing Paint fixtures                   | China                       |            | 4,000.00                                      | N/A           | 4,000.00              | OPTC000031,32,159   | Hebang          |                                  |
| Metered Mixing Equip. Battery            | China                       |            | 59,000.00                                     | N/A           | 59,000.00             | OPTA000100          | DLG             | Not ordered                      |
| Plug - Inverter Cover, connector         | China                       | po011894   | 18,000.00                                     | 7,200.00      | 10,800.00             | OPTC000555          | Memtech/Taitech |                                  |
| Crankshaft                               | Canada                      | po011907   | 8,307.69                                      | 0.00          | 8,307.69              | OPTC000037          | ODG             |                                  |
|                                          |                             |            | \$ 685,066.69                                 | \$ 125,742.40 | \$ 559,324.29         | \$ 313,242.40       |                 |                                  |
|                                          |                             |            | 125,742.40                                    |               |                       |                     |                 |                                  |

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Details of Production Tooling per 1810 Tooling Detail Form

| PART NAME                            | TOOL LOCATION COUNTRY | BionX PO #           | TOTAL SUPPLIER TOOL COST (EXCL. OF TAX) | Paid by BionX | Amount Outstanding   | Optimus Part Number | Supplier                           | Comments               |
|--------------------------------------|-----------------------|----------------------|-----------------------------------------|---------------|----------------------|---------------------|------------------------------------|------------------------|
| Production Tooling at BionX Premises |                       |                      |                                         |               |                      |                     |                                    |                        |
| Rotor Magnet Assy & Curing           | Canada                |                      | \$ 15,000.00                            | \$ -          | \$ 15,000.00         | OPTA000010          | BionX                              |                        |
| Rotor Bearing Install                | Canada                |                      | 2,500.00                                | -             | 2,500.00             | OPTA000012          | BionX                              |                        |
| Carrier Assy                         | Canada                |                      | 10,000.00                               | -             | 10,000.00            | OPTA000014          | BionX                              |                        |
| Planet Gear Assy                     | Canada                |                      | 10,000.00                               | -             | 10,000.00            | OPTA000016          | BionX                              |                        |
| Output Shaft Assy                    | Canada                |                      | 5,000.00                                | -             | 5,000.00             | OPTA000017          | BionX                              |                        |
| Ring Gear Sub Assy                   | Canada                |                      | 5,000.00                                | -             | 5,000.00             | OPTA000018          | BionX                              |                        |
| RH Housing Sub Assy                  | Canada                |                      | 7,500.00                                | -             | 7,500.00             | OPTA000019          | BionX                              |                        |
| Crank/Torque Tube Sub Assy           | Canada                |                      | 10,000.00                               | -             | 10,000.00            | OPTA000023          | BionX                              |                        |
| RH Housing Final Assy                | Canada                |                      | 20,000.00                               | -             | 20,000.00            | OPTA000021          | BionX                              |                        |
| LH Housing Final Assy                | Canada                |                      | 7,500.00                                | -             | 7,500.00             | OPTA000020          | BionX                              |                        |
| Hi Pot Test Fixture                  | Canada                |                      | 10,000.00                               | -             | 10,000.00            | OPTA000020          | BionX                              |                        |
| Stator/Phase Ring Assy               | Canada                |                      | 15,000.00                               | -             | 15,000.00            | OPTA000005          | BionX                              |                        |
| Inverter Cover Assy                  | Canada                |                      | 5,000.00                                | -             | 5,000.00             | OPTA000024          | BionX                              |                        |
| Phase Ring Soldering Fixture         | Canada                |                      | 15,000.00                               | -             | 15,000.00            | OPTA000033          | BionX                              |                        |
| Electric Module Assy                 | Canada                |                      | 10,000.00                               | -             | 10,000.00            | OPTA000040          | BionX                              |                        |
| LH Housing/Stator Install            | Canada                | po011969<br>po011932 | 15,000.00                               | -             | 15,000.00            | OPTA000054          | Stumark = \$5791<br>SCFI = \$13565 | Stator gluing fixtures |
| Motor Joining Assy                   | Canada                |                      | 25,000.00                               | -             | 25,000.00            | OPTA000003          | BionX                              |                        |
|                                      |                       |                      | <b>\$ 187,500.00</b>                    | <b>\$ -</b>   | <b>\$ 187,500.00</b> |                     |                                    |                        |

|                                  |                 |                |               |
|----------------------------------|-----------------|----------------|---------------|
|                                  | <b>Off-site</b> | <b>On-site</b> | <b>Total</b>  |
| Amount Paid/Incurred by BionX \$ | 125,742.40      | \$ 187,500.00  | \$ 313,242.40 |