

GENERAL TERMS & CONDITIONS OF PRO-FLANGE LTD (hereafter "PFL"):

1. QUOTES & ORDERS

- 1.1. Prices and other terms of quotations, sales, and payments are subject to change without notice. Unless a contrary provision appears in the quotation, sales order, or order acknowledgment, prices may be withdrawn without notice at any time. Stenographic or clerical errors are subject to correction.
- 1.2. All sales orders are subject to PFL price, scheduling/delivery, and credit department approval prior to acceptance by PFL. No assignment of the Purchaser's rights may be made without the written consent of PFL.
- 1.3. No product may be returned without PFL written consent. All goods returned are subject to a handling charge plus freight in both directions and charges for any required reconditioning, unless otherwise specified in writing by PFL.
- 1.4. Unless stated otherwise, all quotes and orders are: FCA/FOB Pro-Flange; quoted as a package; subject to current production scheduling timelines; charged a minimum 75.00 CAD; expressed in CAD; subject to prior sale.

2. SHIPMENTS & PAYMENTS

- 2.1. PFL reserves the right to make partial shipments from time to time, and to render invoices thereof which shall be due and payable as provided in said invoices and as mentioned in these terms and conditions. If the Purchaser becomes overdue in any such partial payment, PFL shall be entitled to suspend work and/or avail itself of other legal remedies.
- 2.2. Unless otherwise specifically noted, the amount of any sales, use, occupancy, excise tax or other tax, of any nature, federal, state, or local, for which PFL is legally liable, either initially or through failure of payment by Purchaser, shall be added or be in addition to the price quoted and Purchaser agrees to pay the same to PFL.
- 2.3. Claims for shortages must be made in writing within ten days after receipt of shipment. Loss or damage to materials in transit is the responsibility of the carrier and party undertaking the FOB point. Shipments are limited to weight, dimension, and loading restrictions of the respective carriers. Courier shipments are limited to a gross maximum of 50 lbs per box.
- 2.4. All stated delivery times are based on current production scheduling. No guarantee is made by PFL on any delivery dates, and PFL assumes no liability for loss or damage because of failure to meet stated delivery. All materials are subject to prior sale.
- 2.5. All sales orders are subject to cancellation, suspension, or delay of work and/or delivery only upon receipt of written notification and with PFL consent, and upon agreement to pay PFL's adjustment charge. Orders for special products (usually 'price on application' items) may be changed and/or cancelled only upon receipt of written instructions with an agreement to make payment for material used and work already performed.
- 2.6. All accounts are payable in Canadian funds unless otherwise indicated, free of exchange, collection, or any other charges. If, in the sole discretion of PFL, the condition of the sales order and/or Purchaser at any time so requires, PFL retains the right to require full or partial payment in advance.

3. PRODUCTION DESIGNS

- 3.1. Dies, tools, and patterns required to produce the article quoted shall remain the property of PFL. Preparation charges or charges for dies, tools and patterns represent only a portion of cost. Payment of such charges does not entitle the Purchaser to any right, title, or interest in such dies, tools, or other products of preparation. PFL is not responsible for retention of dies or patterns on which no orders are received for two years or more.
- 3.2. The Purchaser will indemnify and hold harmless PFL against and from any judgment for damages and costs which may be rendered against PFL in any suit alleging infringement of any patent in any part of the world by any product supplied by PFL under a sales order and made in accordance with the design and/or specification furnished by the Purchaser to PFL.

4. WARRANTY & REMEDIES

- 4.1. All PFL products are warranted to be free from manufacturing defects for a period of one (1) year from date of shipment, and any found to be defective within that period will be replaced without charge, provided (1) that the product was used as recommended and in accordance with approved installation and operating practices; (2) that its failure resulted from a manufacturing defect and not from damage due to corrosive, abrasive, or other wear normally to be expected in the services involved; and (3) that written notice of such defect is delivered to PFL during such one (1) year period. No labour cost or other expense or liability will be assumed. This express warranty is in lieu of and excludes all other warranties, guarantees, or representations, express or implied. There are no implied warranties of merchantability or of fitness for a particular purpose.
- 4.2. The Purchaser's remedies with respect to any product furnished by PFL hereunder that is found not to be in conformity with the terms and conditions of the contract because of breach of contract, breach of express or implied warranty, or negligence shall be limited exclusively to the right of replacement of such defective product or, at PFL's option, repayment of sale price of the product. In no event shall PFL be liable for claims (based upon breach of contract, breach of express, or implied warranty, or negligence) for any other damage, whether direct, immediate, foreseeable, consequential, special, or for any expenses incurred by reason of the use or misuse, sale, or fabrication of products which do not conform to the terms and conditions of the contract.

5. GOVERNING LAW, ACCEPTANCE, & WAIVER

- 5.1. All orders and contracts shall be governed, interpreted, and enforced in accordance with the laws of the Province of Ontario.
- 5.2. The failure of PFL to insist, in any one or more instances, upon the performance of any of the terms, covenants, or conditions of the contract or to exercise any right hereunder shall not be construed as wavier or relinquishment of the future performance of any such term, covenant, or condition or the future exercise of such rights, nor shall it be deemed to be a wavier or relinquishment of any other term, covenant, or condition of the exercise of any other rights under the contract.
- 5.3. The contract shall be subject to the terms and conditions contained or referred to in PFL'S quotation, sales order, and/or order acknowledgment, and to no others whatsoever. No waiver, alteration, or modification of the terms and conditions in the quotation, sales order, and/or order acknowledgment shall be binding unless in writing and signed by an authorized representative of PFL.

6. FORCE MAJEURE

- 6.1. Any delay in or failure of performance of PFL shall not constitute default or give rise to any claims for damages if and to the extent that such delay or failure is caused by occurrences beyond the control of PFL, including but not limited to: acts of God or the public enemy; expropriation or confiscation of facilities; compliance with any order or request of any governmental authority; acts of war; rebellion or sabotage or damage resulting therefrom; embargoes or other export restrictions; fires, floods, explosions, accidents, breakdowns; riots or strikes or other concerted acts of workmen, whether direct or indirect; or any other causes whether or not of the same class or kind as those specifically above named which are not within the control of PFL and which, by the exercise of reasonable diligence, PFL is unable to prevent or provide against.