



TERMS AND CONDITIONS

Bearing Bronze Standard Terms & Conditions of Sale

The Standard Terms and Conditions of Sale set forth below shall apply to all quotations and offers made by and purchase orders accepted by Bearing Bronze, A Division of CBB.

ANY DIFFERENT OR ADDITIONAL TERM WHETHER OR NOT MATERIAL, PROPOSED BY THE BUYER IN ANY PURCHASE ORDER OR OTHERWISE IS HEREBY OBJECTED TO. THIS IS NOT AN ACCEPTANCE OF ANY PRIOR OFFER, NOR IS IT CONFIRMATION OF ANY PRIOR ORAL DISCUSSION. Bearing Bronze, herein refer to as the "Company", will sell to the Buyer the products described in its product quotation, subject, however to the following terms and conditions:

1. **ACCEPTANCE:** Acceptance by the Company of the Buyer's order is expressly conditioned upon Buyer's agreement to all the terms and conditions set forth herein and any inconsistent or additional terms contained in the Buyer's purchase order, purchase contract or other document are hereby rejected. The terms and conditions contained herein shall not be modified other than in a single writing executed by the Buyer and the Company. Such terms and conditions constitute the entire agreement between the Company and the Buyer with respect to the subject matter contained herein and supersedes all prior oral or written representations and agreements. All Finished Products will be subject to a 10% Over/Under order based on order quantities stipulated on Customer Purchase Order; if product is within the 10% short shipment by Bearing Bronze will consider complete.
2. **PRICES AND TAXES:** The Company may terminate any sale if there are significant input metal price fluctuations between the date of the order and the date of delivery. Unless otherwise stated in the Company's sales quotation, prices quoted are F.O.B. the Company's facility, 360 Sheldon Drive, Cambridge, Ontario N1T 1A9. The amount of any PST, GST, or HST tax levied on the products referred to herein shall be added to the amount paid by and remain the sole responsibility of the Buyer. All invoices are payable within thirty (30) days of the delivery date. All invoices not paid in accordance with such terms of payment shall bear interest from the due date at the rate of 1/20 of 1% per day until paid. If, in the sole discretion of the company, the credit worthiness of the Buyer changes, the company reserves the right not to proceed without payment in advance. The Buyer shall pay to the extent permitted by law, all reasonable costs, and expenses, including attorney fees and costs incurred by the Company in connection with any collection action for payment of the amounts due herein. If the products are based on an estimated quantity to be delivered, and within the time anticipated such an estimated quantity is not substantially achieved, the Buyer shall pay for the delivered products based on the Company's list price for such products. In the event of the order of a group of products the Buyer shall pay for each product, which is a component of that group separately, upon delivery of the component product.
3. **PACKAGING:** All products shipped in one-way containers (barrels, canisters, sacks, bags, cartons, etc.) shall become the property of the Buyer and shall not be returned to the Company but properly disposed of by the Buyer. All products shipped in returnable containers are the property of the Company and the Buyer shall return any such containers to the Company. The buyer shall be liable for the failure to return such containers. Goods in containers are invoiced at their net weight.
4. **DELIVERY:** Any dates or schedules which may be specified for the delivery of the products covered hereby have been stated only approximately and are estimated from the date of receipt of the Buyer's order. The Company shall not incur any liability, either direct or indirect, nor shall any order be cancelled, because or as a result of any delays in meeting such dates or schedules. Company reserves the right to satisfy delivery of

products through partial delivery and part performance.

5. FORCE MAJEURE: The Company shall in no event be responsible or liable for any delays or failures in manufacturing or delivery due to cause or condition beyond the control of the Company, including, without limiting the generality of the foregoing, strikes, or other labor difficulties, fire, floods, inability to secure transportation facilities, actions of the elements, shortage of materials or equipment, riots or other civil commotion and war.
6. PRODUCT SELECTION AND SUITABILITY: The Company shall not be responsible for how the product is used or installed and the product's conformance with applicable Federal, Provincial, local, or foreign laws, rules, regulations, and ordinances. IN NO EVENT SHALL THE COMPANY BE RESPONSIBLE FOR ANY LOSS OR DAMAGE ARISING OUT OF THE BUYER'S IMPROPER SELECTION, MISAPPLICATION OR MISUSE OF A PRODUCT.
7. LIMITED WARRANTY: The Company will repair or replace, at its discretion, any of the products which fail to meet the applicable specifications within (90) days from date of shipment upon return of the same at the Buyer's expense, provided the Company's warranty shall extend only to the original purchaser from the Company, provided further the Buyer notifies the Company in writing within thirty (30) days after the Buyer is aware of any such defect and provided, finally, that the Company shall in no event be responsible for the cost of labor or other charges incurred by the Buyer in returning any of the products to the Company for replacement. No returns shall be made without prior written consent of the Company. The Company shall not be liable for repair or replacement under this paragraph for any product defect resulting from the misuse, improper selection, or misapplication of the product.
8. MANUFACTURER WARRANTY: A third party manufacturer may warrant the products or components of the products sold by the Company to the Buyer. The Company is not responsible or obligated to enforce the warranties extended by such manufacturer to the Buyer but will use commercially reasonable efforts to assist the Buyer in obtaining or verifying any such warranty information. The Company may distribute literature or sales materials of the manufacturer but assumes no responsibility for the content of such literature or materials.
9. The Buyer releases any claims which it might have against Bearing Bronze Limited arising from negligence in the specification, design, manufacture, order, or delivery, including claims of gross negligence, or any other tort, howsoever arising.
10. EXCLUSION OF OTHER WARRANTIES EXCEPT FOR THE EXPRESS WARRANTY SET FORTH ABOVE, THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING AND IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, WHICH APPLY TO THE PRODUCTS AND THE COMPANY HEREIN DISCLAIMS SAME NO WARRANTIES OR REPRESENTATIONS AT ANY TIME MADE BY ANY REPRESENTATIVE OF THE COMPANY SHALL BE EFFECTIVE TO VARY OR EXPAND THE ABOVE-REFERENCED EXPRESS WARRANTY OR OTHER TERMS HEREOF.
11. LIMITED LIMITATION: In no event shall the Company be liable to the Buyer or to any third party for consequential, incidental, special or other damages of any kind resulting from or in any manner related to the products, their design, use, or any inability to use the same, including, without limitation, damages arising out of or in any manner relating to the delivery of the products or any delay with respect to their delivery, it being understood that the sole and exclusive remedy of the Buyer or any third party shall be the replacement or repair of defective products pursuant to the "LIMITED WARRANTY" provision hereinabove contained. IN NO EVENT SHALL THE MEASURE OF DAMAGES EXCEED THE PURCHASE PRICE ACTUALLY PAID BY THE BUYER FOR THE PRODUCTS. Should the products prove so defective, however, as to preclude the remedying of warranted defects by repair or replacement, the Buyer's sole and exclusive remedy shall be to refund of the actual purchase price paid by Buyer to the Company upon return of the products to the Company; as long as all of the original product is returned, product price based upon weight shall be credited for the weight returned by the Buyer to the Company.
12. CANCELLATION OR CHANGES OF ORDERS: No orders may be withdrawn or cancelled by the Buyer, nor

may they be deferred when ready. In the event that production of the order has not been commenced an order may be cancelled if the Company is paid a cancellation fee of 20% of the sale price plus taxes. In the event the Buyer shall request reasonable changes in its order after receipt thereof by the Company, the Buyer shall be responsible for all charges reasonably assessed by the Company with respect to such changes. In no event shall the Buyer request unreasonable changes with respect to any of the terms of any order, including but not limited to changes with respect to quantity and delivery dates. The reasonableness of a requested change shall be solely determined by the Company using its reasonable discretion.

13. RETURN OF PRODUCTS: The Buyer may return any allowed product in the original package and in a non-objectionable condition only with the Company's prior written consent.
14. NO PROTECTION FROM CLAIM OF INFRINGEMENT: The Company makes no representation of warranty that the delivery or subsequent use of the products ordered shall be free of the claim of any third party by way of infringement.
15. SECURITY INTEREST: The Buyer grants to the Company a purchase money security interest in the products covered hereby and any proceeds thereof resulting from the resale of the products until full payment is received, with respect to any sales on open account. The Buyer hereby authorizes the Company to file any and all documents to establish and maintain such security interest.
16. APPLICABLE LAW: The terms and conditions applicable to any sale of Goods by the Company shall be determined and construed in accordance with, and shall be governed by the laws of the Province of Ontario, excluding its conflict of law principles, and Buyer and the Company agree to submit to the exclusive jurisdiction of the appropriate provincial or federal court located within Ontario for purpose of resolving any dispute or claim arising in connection with said transaction(s).
17. MISCELLANEOUS: These terms and conditions contain the entire agreement and understanding of the parties and merge and supersede all prior discussions, agreements and understanding of every nature between the parties covering the products. These terms and conditions shall not be amended except in a writing signed by both parties. Failure, delay, or any partial exercise by either party of any right, power, or privilege available to such party hereunder shall not operate as a waiver or preclude further exercise by such party of any other right, power, or privilege. If any provision or any portion of these terms and conditions are constructed be illegal, invalid or unenforceable, such provision or portion thereof shall be deemed stricken and deleted from these terms and conditions to the same extent and effect as if it were never incorporated herein, but all other provisions of these terms and conditions and the remaining portion of any provision that is construed to be illegal, invalid or unenforceable in part shall continue in full force and effect. The obligations and rights of the parties with respect to an order of products hereunder shall not be delegated or assigned by either party without prior written consent of the other party. Any notice or other documents to be given or delivered hereunder by any party to any other party shall be in writing and shall be delivered personally or sent by certified mail, postage prepaid return receipt requested, or by a nationally recognized overnight courier service, to the respective addresses set forth on the Company's quotation. Each party is acting as an independent contractor and not as an agent, partner, or joint venture with the other party for any purpose. Neither party shall have any right, power, or authority to act or to create any obligation, express or implied, on behalf of the other party.