

1. ACCEPTANCE OF TERMS & CONDITIONS

This agreement, consisting of this form as completed and the terms and conditions of sale set forth below, together with the Seller's order acknowledgement form previously issued to you (the "Order Acknowledgement") and any documents incorporated by reference, shall be a contract binding Signature Precision Fabrication Inc. (as "Seller") and you (as "Purchaser"). This Agreement shall replace and supersede any purchase order you may have issued respecting the product(s) to be purchased and sold hereunder and is not intended to evidence Seller's acceptance or any such purchase order. Seller hereby notifies you of its objection to any different or additional terms you may wish to propose for inclusion in this Agreement. Purchaser shall be deemed to have full knowledge of the terms and conditions herein and such terms and conditions shall be binding if either the goods and services referred to herein are delivered to and accepted by Purchaser, or if Purchaser does not within five (5) days from the date hereof deliver to Seller written objection to said terms and conditions or any part thereof. In the event of any errors in this Agreement, please notify us immediately; failure to provide notice of any error within ten (10) days of the date hereof shall make you liable for any additional cost incurred by Seller.

2. CONFLICTS AND WAIVERS

In the event of any conflict or inconsistency between the terms and conditions of sale herein and the terms and conditions contained in Purchaser's order or in any other form issued by Purchaser, whether or not any such form has been acknowledged or accepted by Seller, Seller's terms and conditions herein shall prevail. No waiver, alteration or modification of these terms and conditions shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller.

3. QUOTATIONS

Unless otherwise stated, Seller's quotation shall be null and void by Purchaser within thirty (30) days from the date of quotation.

4. CHANGE IN PRICE AND PRODUCT LINE

If not explicitly stated otherwise, all materials shall be invoiced at Seller's price and charges in effect at the time of shipment. Seller reserves their right to make changes at any time in design, materials or specifications without decreasing performance, and to discontinue any product without notice.

5. TOLERANCES

The extrusions provided by the Seller shall meet the specifications shown on the drawing approved by the Purchaser for material properties, profile dimensions and surface finish. In the event of items not explicitly specified on the aforementioned drawing, the Aluminum Association Standards shall apply.

6. PAYMENT

Unless otherwise stated, invoices on "open account" shipment are payable within thirty (30) days of invoice date. Unless specifically provided, no cash discount shall be available to Purchaser.

If at any time prior to completion of performance under this Agreement, Seller shall have reasonable cause to doubt Purchaser's ability or intention to perform as required hereby, Seller may demand assurance of Purchaser's ability or intention to perform and may suspend its own performance pending receipt of such assurances. Purchaser's failure to provide assurances as requested may be deemed as a breach of contract. Such reasonable assurances may include evidence of Purchaser's financial health, including evidence of its ability to pay amounts that may come due under this Agreement and the provision of third party sureties guaranteeing such payment. Payment is due under the terms stated on the face hereof.

Purchaser agrees to pay all costs and expenses, including reasonable attorney's fees, incurred by Seller in the collection of any past due sum payable by Purchaser or Seller, or in the exercise of any remedy.

7. INTEREST

Interest at the rate of 1.5% (18%) per annum or the then current Bank of Canada prime rate (whichever applies) plus 4% (whichever is greater, but not to exceed interest rates permitted by applicable law) may be charged by Seller on all balances outstanding after thirty (30) days from the due date.

8. TAXES

Any increase in the cost to Seller of manufacturing the product sold hereunder, or any increase in the cost of any materials used in the manufacture thereof, whether payable by Seller or embodied in the cost to Seller of such materials cause by taxes, excises or other charges of any kind, or any such levy on the sale, delivery to or the use by Purchaser, imposed by any national, state/provincial, or municipal government, or any agency or political subdivision thereof, shall be separately invoiced or added to the price hereinabove specified, and shall

Standard Terms and Conditions of Sale

Page 2 of 5



be paid by Purchaser so far as permissible under applicable laws, regulations and/or of competent governmental authority having jurisdiction thereof. State, provincial and federal (but not county or municipal) income, franchise, gross receipts, occupational or other similar taxes are not to be considered as a tax or government charge within the meaning of this paragraph.

9. DELAYS

Seller shall not be liable for any delay or non-delivery caused by circumstances beyond the reasonable control of the Seller, including but not limited to declared or undeclared war, fire, flood, explosions, strikes, labor dispute, accident, breakdowns, mechanical failures of machinery or equipment, riot, act of governmental authority, act of God, unavoidable casualties, priorities required or requested by Federal or any state/provincial government or any subdivision or agency thereof or granted for the benefit, directly or indirectly of any to them, failure of the usual sources of supplied of raw materials, supplies and equipment, including electrical energy, delays in transportation facilities, restrictions imposed by Federal or state/provincial legislation, rules, regulations, orders or ordinances. In the event that any delivery is suspended or delayed by reason of the occurrence of one or more of the above causes, at Seller's option, deliveries may be made after cessation of such causes and nothing herein shall excuse Purchaser's obligation to pay in full or any part of the order delivered before or after commencement or cessation of such causes(s).

10. WARRANTY

Seller warrants that the product(s) supplied by Seller shall be free from defects in workmanship and material and shall conform to all descriptions and specifications, if any, set forth or incorporated by reference in this Agreement. The foregoing warranty only applies to the quality of the goods at the time of delivery, and Seller makes no representation as the durability or service life of the product. SELLER DISCLAIMS ANY OTHER WARRANTY, EXPRESS OR IMPLIED, WHETHER CREATED BY CONTRACT, BY STATUTE OR OTHERWISE BY OPERATION OF LAW, INCLUDING ALL WARRANTIES OF MERCHANT ABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. REMEDY

If any product supplied by Seller fails to conform to the warranty set forth in the paragraph titled "Warranty" herein, Purchaser shall notify Seller of the nonconforming product in writing no later than ten (10) days after Purchaser becomes aware of the nonconformity and in any event no later than one

year after delivery of the product to the purchaser. Following provision of such notice, Purchaser may return the product to Seller and Seller will either confirm or disagree that the product fails to conform to such warranty. Products determined by Seller to conform to the foregoing warranty shall be held by Seller pending Purchaser's shipping instructions. If the product fails to conform to such warranty, Seller, at its sole option, shall either (1) repair the product, (2) replace it with a product that conforms to the above warranty or (3) return to Purchaser the price, or that portion of the price, paid for the non-conforming product. Unless the order expressly provides that Seller shall provide transportation, Purchaser shall bear all transporting costs and from the repair or manufacturing facility specified by Seller. Seller's remedial obligations hereunder are conditioned on the product not having been subjected to misuse, abuse or alteration.

Transportation or Traffic damages are to be noted on the delivery copy of the Seller's manifest and/or bill of lading. No inspection or investigation of claim by Seller shall be deemed a waiver of this requirement.

12. EXCLUSIVE REMEDY

The remedies set forth in the paragraph titled "Remedy" herein shall be Purchaser's exclusive remedies for products that fail to conform to the warranty set forth in the paragraph titled "Warranty" herein.

13. RETURNS

Goods may be returned by Purchaser for credit only with the prior approval of Seller in its sole discretion, **no later than one year after delivery** of the product to the purchaser. Such approval may be conditioned upon Purchaser paying freight costs, a restocking charge, and an allowance for Seller's overhead and profit. Goods returned without such approval, or with such approval but not delivered by Purchaser to the place designated by Seller in a salable condition, will not be accepted by Seller and no credit will be issued to Purchaser.

14. CONSEQUENTIAL DAMAGES

Seller shall not be liable to Purchaser, whether in contract, tort or otherwise (including strict liability) for any special, incidental, or consequential damages whatsoever, without regard to whether such damages are foreseeable, including but not limited to damages for loss of profits or revenue, loss of use of any equipment or technology, damage to other tangible property of Purchaser, cost of capital, cost of downtime or delays or claims of customers.

15. LIMITATION OF LIABILITY

Seller's aggregate liability to Purchaser, and to persons or entities claiming through Purchaser, arising out of this Agreement whether such liability arises in contract, tort or otherwise (including strict liability), at law or in equity, shall not exceed the price, or portion thereof, actually paid by the Purchaser hereunder.

16. INDEMNITY

Purchaser shall indemnify Seller and Seller's officers, directors and employees (the "Indemnified Parties") against any and all liability and associated expense including reasonable attorney's fees that any Indemnified Party may incur in connection with claims asserted by persons or entities not a party to this Agreement for personal injury (including death) or property damage in any way connected with the sale, transportation, use or possession of the product, including its design, whether such claims arise in contract, tort or otherwise (including strict liability), whether in law or in equity, except to the extent such liability is adjudged by a court of competent jurisdiction to have been caused solely by the negligence or intentional misconduct of the person or entity to whom indemnity would otherwise be provided hereunder. Purchaser expressly waives any right, whether arising under contract or by operation of law, to indemnity or contribution from Seller with respect to liability Purchaser may have for the claims of persons or entities not a party to this Agreement in any way arising out of their sale, transportation, use, design or possession of any product purchased and sold hereunder.

17. PURCHASER'S DESIGNS, PLANS, DRAWINGS, SPECIFICATIONS AND REQUIREMENTS

For any product that is not included in Seller's standard product line offered for sale generally in the usual course of Seller's business, it is agreed that Purchaser has engaged Seller to manufacture such product to Purchaser's specifications and requirements. Seller shall not be responsible for the adequacy of the design represented thereby. Seller also shall not be responsible for the adequacy of the materials incorporated in such product or for testing or otherwise determining the sufficiency and applicability of the design. Seller shall not be responsible for determining or assuring that such product or the use or application of such product conforms to applicable federal, state/provincial or local laws, rules or regulations. Seller's only warranty with respect to such products shall be as set forth in the paragraph titled "Warranty" herein. All designs, plans, prints, or drawings or whatever kind prepared by Seller with respect to such products are and shall remain the sole property of the Seller.

18. ADVICE BY SELLER

POL-20-0001

The giving of or failure to provide recommendations of any character by Seller shall not impose any liability upon Seller nor grant to Purchaser any license to the use of any Seller's patents, inventions, trademarks or trade names.

19. EQUIPMENT

Any equipment (including custom built machines, fabrication dies, machining fixtures, check fixtures, weld equipment, weld jigs, etc.) which Seller specifically constructs or acquires for use on Purchaser's order shall be and remain Seller's property and Seller's sole possession and control. Any charges billed to Purchaser by Seller therefore shall be for the use of such equipment only in connection with this Agreement and shall confer on Purchaser no right of any kind with respect to such equipment. If Purchaser fails to pay any of the amounts due Seller for a period of six months, or breaches any of these terms and conditions, or if bankruptcy or insolvency proceedings are commenced by or against Purchaser, or if Purchaser shall make an assignment for the benefit of creditors, or if a receiver shall be appointed for Purchaser, all of Purchaser's rights in and to the equipment shall be forfeited to Seller and Seller may use or dispose of such equipment as it, in its sole discretion, deems appropriate.

20. PATENTS

If any material shall be manufactured or sold by Seller to meet Purchaser's specifications or requirements and is not a part of Seller's standard product line offered by it for sale generally in the usual course of the Seller's business, Purchaser agrees to indemnify Seller and Seller's officers, directors and employees against all liability and associated expense (including reasonable attorney's fees) for actual or alleged infringement of any Canadian, United States, or foreign patent and to defend any suits or actions which may be brought against Seller for any alleged infringement because of the manufacture or sale of any such material.

21. TRANSPORTATION

F.O.B. Shipping Point. Where route, method and agency of transportation are determined by Seller and are in excess of 500 kgs/1000 lbs., actual transportation charges will be absorbed by Seller on Shipments within Seller's normal trading area. All orders totaling 500 kgs/1000 lbs. or less will be shipped freight collect. Where route, method and agency of transportation are not determined by Seller, Purchaser will be invoiced for the excess, if any, of actual transportation charges above the lowest applicable charges which would have incurred if Seller determined route, method and agency. Any excess in transportation costs due to the length of the extrusion ordered

Standard Terms and Conditions of Sale

Page 4 of 5



by Purchaser will be paid by Purchaser. All orders accepted as C.O.D by Seller, regardless of volume will be shipped freight collect and C.O.D. charges will be paid by Purchaser at the time of delivery. All C.O.D. orders will be shipped by common carrier.

22. SHIPMENTS, PARTIAL SHIPMENTS AND DAMAGES OR SHORTAGES IN TRANSPORT

Except for obligations stated under the paragraph titled "Warranty" herein, Seller's responsibility for goods ceases upon delivery to the carrier. In the event of loss or damage during shipment, Purchaser's claim shall be against the carrier only. Claims for shortages must be made in writing within ten (10) days after receipt of goods by Purchaser. If Seller does not receive written notification of such shortages within such ten (10) days, it shall be conclusively presumed that the goods were delivered in their entirety. Unless agreed upon otherwise in writing, Seller reserves the right to make partial shipments and to submit invoices for partial shipments.

Absent manifest error, Seller's shipping weights will govern for each shipment or partial shipment under the face of the Order Acknowledgement. Should Purchaser dispute the shipping weight of any shipment or partial shipment under the face of the Order Acknowledgement, Purchaser will promptly notify Seller in writing of the reasons for such dispute and provide to Seller all necessary documents to substantiate the difference. Unless another tolerance is stated on the face of the Order Acknowledgement, the quantity tolerance applicable to each item of goods specified on the order shall be +/- 10%.

23. DELIVERY

Unless otherwise agreed in writing, delivery of the goods shall take place at the address specified by the Seller on the date specified by the Seller. The date of delivery specified by the Seller is an estimate only. Time for delivery shall not be of the essence of the contract. If the Purchaser is unable to take delivery of the goods for reasons beyond its control, then the Seller shall be entitled to place the goods in storage until such times as delivery may be affected and the Purchaser shall be liable for any expense associated with such storage.

24. CHANGES

Seller assumes no responsibility for any changes by Purchaser in the specifications identified in the Agreement as originally issued (Confirmation/Acknowledgement), unless such changes are confirmed in writing by Purchaser and accepted in writing by Seller. Seller's acceptance of any such change may be conditioned on prior agreement to mutually acceptable changes in price and schedule for delivery of the product.

25. RETURNABLE EQUIPMENT

Any equipment, pallets or containers, specified on the face of this Agreement as returnable, whether or not a charge is made or deposit is required, shall be returned promptly in accordance with Seller's instructions.

26. GOVERNING LAW

This agreement and each of the documents contemplated by or delivered under or in connection with this agreement, are governed by, and are to be construed and interpreted in accordance with, the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

27. NOTICE

Notice to either party under any provision of this Agreement shall be deemed good and sufficient if sent by registered or certified mail to the last known post office address of such party and shall be effective upon posting.

28. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement of Seller and Purchaser respecting its subject matter and supersedes any prior or contemporaneous understandings. The contract evidenced by this Agreement may not be amended or rescinded except in a written document signed by authorized representatives of both Seller and Purchaser.

29. NON-ASSIGNABILITY

This Agreement is neither transferable nor assignable by either Purchaser or Seller except to (1) affiliates, subsidiaries or successors to the business of Seller to which this Agreement relates or (2) with the consent of the other party.

30. SUBSIDIARIES AND AFFILIATES

Seller may be acting hereunder on its own behalf or as agent for any one or more persons subsidiary to or affiliated with Seller. The order may be performed and all rights hereunder against Purchaser may be enforced by (i) Seller; or (ii) any one or more persons subsidiary to or affiliated with Seller; or (iii) a third party designated by Seller; (iv) in part by Seller and in part by one or more of said subsidiaries, affiliated persons or third parties.

31. TERMINATION

Purchaser may terminate the order or contract or the portion affected for cause if Seller becomes Insolvent or Bankrupt, or if Seller commits a material breach of the contract which does

not otherwise have a specified contractual remedy, provided that Purchaser shall first provide Seller with detailed written notice of the breach and of Purchaser's intention to terminate the contract, and Seller shall have failed, within thirty (30) days after receipt of the notice, to commence and conscientiously pursue cure of the breach.

32. GENERAL

These Terms and Conditions shall apply to all contracts for the sale of goods by the Seller to the Purchaser to the exclusion of all other terms and conditions referred to, offered or relied on by the Purchaser whether in negotiation or at any stage in the dealings between the parties, including any standard or printed terms tendered by the Purchaser, unless the Purchaser specifically states in writing, separately from such terms, that it wishes such terms to apply and this has been acknowledged by the Seller in writing. Any variation to these Terms and Conditions (including any special terms and conditions agreed between the parties) shall be inapplicable unless agreed in writing by the Seller.

Headings used herein are for convenience only and shall not be used for interpretive purpose. A party's failure to act with respect to another party's breach of any provision contained herein does not constitute a waiver. If any provision herein is held to be invalid or unenforceable, such provision shall be narrowly construed, if possible, or otherwise deemed ineffective and the remaining provisions shall not be affected. These terms and conditions will survive the fulfillment of this order. With respect to any orders for shipment outside Canada, the United Nations Convention on Contracts for the International Sale of goods will not apply.

- b. Signature Precision Fabrication is not responsible for Recall and Replacement Costs, if the defect is due to aluminum extrusion material properties being out of specification, in the axis of extrusion. This determination will consider the natural aging which occurs in some alloys and tempers.
- c. Signature Precision Fabrication is not responsible for Recall and Replacement Costs if the defect is due to the design of the aluminum extrusion component being incapable for its use.
- d. Signature Precision Fabrication is not responsible for Recall and Replacement Costs if the defect is due to the material properties of the aluminum extrusion being changed by any processing of the aluminum extrusion, required to manufacture, the component.
- e. Signature Precision Fabrication is not responsible for Recall and Replacement Costs if the defect is due to insufficient verification and validation testing of the components manufactured by the Buyer of the extrusion.
- f. Signature Precision Fabrication is not responsible for Recall and Replacement Costs if the defect is due to material properties in an axis other than the axis of extrusion.
- g. Signature Precision Fabrication is not responsible for Recall and Replacement Costs if the defect is a surface defect on the aluminum extrusion in the end use product.

These clauses do not supersede any part of Signature Precision Fabrication's Warranty Terms.

33. RECALL POLICY

In the event that the end use product, which contains components manufactured from aluminum extrusion supplied by Signature Precision Fabrication, becomes part of a formal Recall Program, instituted by the end use product Seller, the following clauses shall apply;

- a. Signature Precision Fabrication may accept responsibility for Recall and Replacement Costs if the defect is due to a failure to fabricate material to