



**Mechanical and
Electrical Division**

GENERAL TERMS AND CONDITIONS

These general terms and conditions are an integral part of the quote and/or the purchase order and/or the invoice issued by Canimex - Mechanical and Electrical Division (hereinafter referred to as "Canimex") to the customer identified in said document (hereinafter referred to as "Customer") for the purchase of certain goods, tooling and/or services.

1. **QUOTE VALIDITY PERIOD:** The prices are valid for a period of fifteen (15) days following the date the quote was sent. After this period, Canimex reserves the right to review the terms of the quote (price, delivery, validity).
2. **DELIVERY PERIODS:** The delivery periods indicated in Canimex's quote will take effect when the following three criteria are met:
 - a) The Customer will have accepted Canimex's quote by sending a written order;
 - b) Canimex will have confirmed the Customer's order in writing;
 - c) The reference documents will have been approved by both parties, such as: 2D drawings, 3D models, specifications or any other reference document related to the development of the project. The documents may differ depending on the nature of the project. Unless modifications have been requested by the Customer or by Canimex, the approval of the reference documents will no longer be necessary for subsequent orders of the same product. Delivery periods confirmed by Canimex are approximate. Canimex cannot guarantee exceptional and special situations affecting its supply chain and that could result in delays. Canimex will deploy all its efforts to ensure procurement on time and will inform the Customer, as quickly as possible, of any delay not in compliance with the initial agreement.
3. **CREDIT APPROVAL:** Any first order is subject to an investigation by our Credit Department and is payable upon delivery, if required. An account opening form will be required for any new file. In addition, all subsequent orders will be subject to credit approval based on the Customer's history.
4. **FIRM ORDERS:** Orders must include firm quantities, unless otherwise specified. Canimex reserves the right to modify the quantities according to the minimum quantities predetermined or confirmed by the manufacturer or by Canimex.
5. **DATE REQUIRED BY THE CUSTOMER:** In order to offer an adequate service to the Customer, each purchase order must include an estimated date of consumption of the products during the current year. This will allow Canimex to better manage the inventory required according to the Customer's needs.
6. **EXPIRATION OF ORDERS:** Unless otherwise specified by Canimex, the Customer agrees to take possession and pay in full for the merchandise within a maximum period of twelve (12) months after the date of receipt of the merchandise at Canimex. After this period, Canimex will ship the undelivered merchandise without notice. The Customer will have to assume the transport costs related to the expired orders.
7. **PRICES:** Prices are subject to change without notice. The prices quoted could be adjusted according to possible variations in the exchange rate, cost of raw materials, labour, parts, transport, government taxes and/or any other variation that could affect these prices. The prices offered apply only to the quantities indicated, the technical specifications and the delivery schedule determined according to Canimex's quote. Any change may result in an adjustment of the price and/or the delivery schedule.
8. **TERMS OF PAYMENT:** Unless otherwise specified or agreed, the terms of payment are Net 30 days. Administrative fees of 2% per month, or 24% annually, will be payable for any unpaid invoice, in whole or in part, on the due date. In case of late payment of invoices, any subsequent orders shall be paid in full before delivery.
9. **DEFAULT OF PAYMENT:** The merchandise sold and described will remain Canimex's property until full payment for said goods. If the Customer fails to pay any amount due on its due date, the Customer shall make an arrangement with Canimex, failing which Canimex reserves the right to suspend shipping of any merchandise.
10. **CUSTOM PRODUCTS:** A 30% deposit may be required for any order of custom products. These orders cannot be cancelled under any circumstances and are payable in full.
11. **TAXES AND OTHER CHARGES:** The Customer agrees to pay any permit or tax currently imposed on the goods ordered as well as any tax that may be imposed by a competent authority. Moreover, no additional clause will be accepted at the time the order is placed.
12. **CUSTOMS CHARGES:** Unless otherwise specified, customs charges are at the Customer's expense. Prices submitted do not include the cost of inspections conducted by the federal, provincial or municipal agencies, if applicable. When such inspections are necessary, the Customer shall make the necessary arrangements and complete, at its expense, the actions required by the inspectors.

13. **TERMS OF DELIVERY:** Unless otherwise agreed, the goods ordered and kept in inventory will be processed according to the terms of delivery defined by the Incoterm in force, i.e. "Ex Works" at the plant located at 285 Saint-Georges, Drummondville, Quebec, Canada.
14. **PACKAGING AND SPECIAL HANDLING:** Any non-standard or specially required packaging or wrapping, depending on the nature of the product or at the Customer's request, will be at the Customer's expense.
15. **DAMAGE DURING TRANSPORT:** When the transport is organized by the Customer and there appears to be a breakage or a missing container or content upon receipt of the merchandise, the Customer shall pay Canimex for these goods and discuss claims for losses or damages with its carrier.
16. **FORCE MAJEURE:** Canimex is not liable for delivery delays caused by situations beyond its control, including but not limited to: fire, flood, strike, lockout, interruption of any public service, shortage of raw materials, government decree and/or similar events.
17. **WARRANTY:** Unless otherwise specified, Canimex's liability will be limited to the warranty issued by the product manufacturer. All our products are guaranteed against manufacturing and material defects for a period of one (1) year from Canimex's billing date. Our warranty concerning defective products consists of replacing or repairing them at the discretion of Canimex. The Customer shall assume the shipping costs to return the products to Canimex, Drummondville, Quebec, Canada.
 - a) Canimex shall not be liable for direct or indirect damages of any kind whatsoever, including but not limited to: all costs incurred by the Customer to have the product removed by its personnel or by a company hired by it, travelling expenses of its personnel or the personnel of a company hired by it to remove the defective product from any equipment, storage fees for the defective product, repair by others, late fees of any kind whatsoever caused to the Customer or to any of its own customers, resulting from a defect in its products;
 - b) This warranty shall not apply to any product which has been subject to misuse, misapplication, neglect (including but not limited to improper maintenance and storage), modification (including but not limited to the use of unauthorized parts or assemblies or unauthorized dismantling), accident, improper installation, adjustment or repair. Improper lubrication, deterioration by chemical action and wear caused by abrasive materials and/or by common wear do not constitute a defect. Removal of the nameplate, when applicable, will void the warranty.
18. **RETURN OF DEFECTIVE PRODUCTS:** Before returning a product to Canimex, the Customer must send an authorization request detailing the reason for the return, by email to the after-sales service at the following address: serviceapresventes@canimex.com. Upon receipt and analysis of the request, if it deems it appropriate, Canimex will provide a Return Good Authorization number (RGA) to the Customer. The product must have been returned to Canimex within thirty (30) days from issuance of this number. After this period, the Customer must contact Canimex to obtain a new RGA.
 - a) This number must appear on all documents accompanying the product shipped to Canimex as well as on the boxes containing the product;
 - b) Any product shipped to Canimex, without having previously received a RGA, may be returned to the Customer at its expense;
 - c) After analysis of the returned product, Canimex will inform the Customer of the conclusion of this investigation and will either return it duly repaired to the Customer, send a new one or issue a credit note for the defective product at the price originally paid;
 - d) If no defect has been found or if, in the opinion of Canimex, the defect is not covered by this warranty, the Customer will be responsible for the transport costs for the return of the product. In this case, no credit will be issued, and analysis fees may be charged to the Customer.
19. **RETURN OF NON-DEFECTIVE PRODUCTS:** The order may not be cancelled after its acceptance without Canimex's authorization, and the cancellation will be subject to the payment conditions for the costs incurred, the work in progress or completed and the material purchased or on order. No merchandise may be returned without Canimex's prior written consent. In addition, only products that have been invoiced to the Customer for less than one (1) year may potentially be returned to Canimex. An authorization number will then be given to the Customer. This number must appear on all the documents accompanying the returned goods, as well as on the boxes containing the parts. The Customer will be responsible for transport costs, from its plant to Canimex's warehouse in Drummondville, Quebec, Canada. A 20% handling fee will be charged for any merchandise returned. Products made upon the Customer's specifications may not be returned.
20. **LIMITATIONS:** All our products must be used in accordance with the manufacturer's specifications. It is important that the procedures are respected. It is the responsibility of the Customer or the end user of the product to inquire with Canimex about these specifications. Canimex reserves the right to make any change to the design, drawings and specifications of its products, without notice. Canimex is not bound to know the applications on which the products will be used. Consequently, the choice of specific products is the sole responsibility of the Customer, who declares being aware of the performances and conditions of use recommended by Canimex for its products. The Customer will assume all responsibilities related to the application of the product during the selection, assembly or modification of any product supplied by Canimex.

21. **PROTOTYPING:**

- a) Prototype products are not available for distribution at the time they are shipped to the Customer and are not intended for use in a production environment. The prototype products shall be used by the Customer for evaluation purposes and within parameters as mutually determined by the parties. The purpose of the evaluation is to facilitate rapid commercial availability of the prototype products and to gather information on the Customer's experience with such prototype products. After receiving the prototype products, the Customer agrees to inform Canimex of any problem and suggestion for improvement brought to its attention during the evaluation period. Canimex retains all rights, titles and interests in the prototype products and in all materials delivered in connection with such prototype products. A non-disclosure agreement may be set up between Canimex and the Customer using the prototype products. At the end of the evaluation, the Customer will dispose of or return the prototype products to Canimex upon request;
 - b) The design of the prototype products may be modified without notice by Canimex before its general availability. Canimex reserves the right to withdraw any prototype product from the evaluation and never distribute it as a commercial product. The prototype products may not meet the level of performance, compatibility or safety of Canimex products generally offered. The Customer understands and agrees that Canimex makes no representations or warranties regarding the use of the prototype products. In addition, the Customer remains responsible at all times for ensuring that the use of the prototype products, on its own equipment or technical solutions, complies with the requirements, laws, regulations and standards in force in connection with said equipment or technical solutions. The prototype products and technical support, if any, are provided "as is" without warranty, express or implied, including but not limited to the implied warranties of merchantability and fitness for a particular purpose. Under no circumstances will Canimex be liable for any damages under this agreement, including but not limited to any loss of profits, loss of savings or any other material or physical consequential damage, even if advised of the possibility of such damages, or for any claim by the Customer using the prototype products based on a third party claim.
22. **PARAMETERIZATION/PROGRAMMING** : Canimex disclaims all liability that may be linked to damage and/or injury caused by incorrect or inadequate configuration and/or programming of the components integrated into the Customer's equipment.
23. **TOOLING AND EQUIPMENT**: Unless otherwise specified by a special written and signed agreement between Canimex and the Customer, any tooling, equipment, software, design and manufacturing, acquired or used by Canimex for the purposes of fulfilment of the Customer's order, remains Canimex's property.
24. **USE OF THE TRADEMARK**: The Customer shall not use any trademarks, trade names or service marks of Canimex or its subsidiaries and shall not contest the validity of Canimex's right to the trademarks, trade names or service marks used by Canimex.
25. **APPLICABLE LAW AND JURISDICTION**: This document, its interpretation, its validity and its effects are subject to the laws in force in the Province of Quebec, and the parties agree to submit to the competent authorities in the judicial district of Drummond for any dispute arising or that may arise.
26. **SEVERABILITY CLAUSE**: The invalidity or illegality of one of the clauses provided in this agreement does not, in any way, invalidate any other condition of the agreement concluded between the parties, the other clauses remaining fully valid.
27. **PATENT IN FORCE**: Canimex disclaims all liability concerning a request for design, engineering, development of a product and/or concept requested by the Customer that would be affected by a patent in force in accordance with the law.
28. **CONFIDENTIALITY** : The Customer and Canimex must keep rigorously and strictly confidential all information of which they are aware, in accordance with and/or in relation to this agreement and its execution, concerning all Canimex's transactions, products and activities. The Customer may not use any information and/or documentation received from Canimex without Canimex's prior written authorization. In all cases, this information and/or documentation must be returned by the Customer following a written request from Canimex. It is agreed and understood that all information of technical, commercial and financial nature relating to this agreement, and which will be transmitted between the parties, must be considered strictly confidential and classified. The Customer must take all necessary measures to avoid its abusive dissemination to third parties, by taking concrete measures to enforce this confidentiality obligation, including but not limited to any person collaborating with the company (employees, independent workers, persons providing manual and/or intellectual services, etc.). In case of termination of this agreement, for any reason whatsoever, the Customer must immediately return all the documentation to Canimex (catalogues, advertising, illustrative and promotional material, price lists, etc.) in its possession. The Customer must also immediately cease all use of Canimex's distinctive elements. The Customer agrees not to disclose any trade or business secrets or proprietary information of which it became aware in its operations on the basis of this agreement, nor to use these secrets or information for any non-contractual purposes after termination of this agreement.