



## 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 is 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 will be 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 documents related to the development of the project. The documents may differ depending on the nature of the project. Unless changes 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 in 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 on delivery if required. An account opening form will be required for any new file. In addition, all subsequent orders will be subject to acceptance of credit based on the Customer's history.
4. **FIRM ORDERS:** Orders must contain firm quantities, unless otherwise specified. Canimex reserves the right to change the quantities according to the minimum quantities predetermined or confirmed by the manufacturer or by Canimex.
5. **DATE REQUIRED BY THE CUSTOMER:** It is important to mention that to offer the Customer an adequate service, each purchase order must contain an estimated date of consumption of the products during the current year. This will allow better management by Canimex of the inventory required according to the Customer's needs.
6. **EXPIRY OF THE ORDERS:** Unless otherwise specified by Canimex, the Customer undertakes to take possession and pay in full for the merchandise within a maximum period of twenty-two (22) months after the date of receipt of the order. After this period, Canimex will ship the undelivered merchandise, without notice. The Customer will have to assume the transportation costs related to the expired orders.
7. **PRICES:** The prices are subject to change without notice. The prices quoted could be adjusted according to variations of exchange rates, cost of raw materials, labour, parts, transportation, government taxes and/or any other variation that could have an impact on these prices. The proposed prices only apply 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 charges of 2% per month, or 24% per year, will be payable for any unpaid invoice, in whole or in part, when due. 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 payment in full 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 undertakes to pay any permit or any tax currently imposed on the goods ordered as well as any tax that eventually may be imposed by a relevant 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 the actions required by the inspectors, at its expense.
13. **TERMS OF SHIPPING:** Unless otherwise agreed, the goods ordered and kept in inventory will be treated according to the terms of delivery defined by the Incoterm in force, i.e. "Ex Works" at the plant located at 285 St-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 SHIPPING:** When shipping is organized by the Customer and there appears to be a breakage or a missing container or contents, upon receipt of the merchandise, the Customer shall pay Canimex for this merchandise and discuss claims for losses or damages with the carrier.
16. **FORCE MAJEURE:** Canimex is not liable for delivery delays caused by situations beyond our control, including but not limited to: fire, flood, strike, lockouts, 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 manufacturer of the products. All our products are guaranteed against manufacturing and material defects for a period of one (1) year, effective from Canimex's billing date. Our warranty concerning defective products consists of replacing or repairing them at Canimex's discretion. The Customer shall assume the shipping costs to return the products to Canimex, Drummondville, Quebec, Canada.
- Canimex shall not be liable for direct or indirect damages of any kind whatsoever, including but not limited to: all charges 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 engaged by it to remove the defective product of any equipment, storage fees of defective product, repair by others, delays of any kind whatsoever caused to the Customer or to any of its customers, arising from a defect in its products.
  - 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 attachments), accident, improper installation, adjustment or repair. Improper lubrication, deterioration by chemical action and wear caused by the presence of 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 complete the form previously sent by Canimex (P0002-FOR-002). Upon receipt and analysis of this form, if it deems 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 will have to contact Canimex to obtain a new RGA.
- This number must appear on all documents accompanying the product shipped to Canimex as well as on the boxes containing the product.
  - Any product shipped to Canimex, without having previously received an RGA, may be returned to the Customer at its own expense.
  - After evaluation 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.
  - If no defect has been found or if, in Canimex's opinion, the defect is not covered by this warranty, the Customer will be responsible for shipping costs for returning the product and/or no credit will be issued.
19. **RETURN OF NON-DEFECTIVE PRODUCTS:** The order may not be cancelled after its acceptance without Canimex's agreement and under 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. Moreover, only products that have been invoiced 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 documents accompanying the returned goods, as well as on the boxes containing the products. The Customer will be responsible for transportation charges from its plant to Canimex's warehouse in Drummondville, Quebec, Canada. A 20% handling fee will be charged on any merchandise returned. Products made upon 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 exclusive 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. **TOOLING AND EQUIPMENT:** Unless otherwise specified by a special written agreement signed between Canimex and the Customer, any tooling, equipment, software, conception and design manufacturing, acquired or used by Canimex for the purpose of fulfilment of the Customer's order, remains Canimex's property.
22. **USE OF THE TRADEMARK:** The Customer will not use any trademark, trade name or service mark of Canimex or its subsidiaries and will, in no way, contest the validity of Canimex's right to the trademarks, trade names or service marks used by Canimex.
23. **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 relevant authorities in the District of Drummondville any dispute arising or that may arise.
24. **PARAMETERIZATION:** Canimex disclaims any liability that may be related to damages and/or injuries caused by incorrect or inadequate parameterization of the equipment.
25. **PATENT IN FORCE:** Canimex disclaims any liability concerning a request for design, engineering or development of a product and/or a concept requested by the Customer that would be affected by a patent in force within the meaning of the legislation.
26. **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 contract and its execution) concerning all of Canimex's transactions, products and activities. In particular, 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. However, it is agreed and understood that all information of technical, commercial and financial nature relating to this contract and that will be transmitted between the parties must be considered strictly confidential and classified. The Customer must take all reasonable 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 contract, for any reason whatsoever, the Customer must immediately return all the documentation to Canimex (for example: 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 undertakes not to disclose the trade or business secrets or reserved information of which it has learned in its operations on the basis of this contract, nor to use these secrets or information for extracontractual purposes, also after termination of this contract.