Terms and Conditions of Sale

The sale of products ("Products") and services ("Services") by Canadian Bearings Ltd. ("CB") to Customer is subject to and governed solely by these terms and conditions of sale. No terms or conditions of Customer’s purchase order, any agreement or any other understanding shall be binding on CB or apply in any manner to the sale of such Products and Services unless agreed to in writing and signed by an authorized officer of CB.

1. Orders. Customer may acquire Products or Services by issuing a written purchase order signed by an authorized representative or, if Customer is enrolled in any then current CB electronic commerce program, by submitting electronic orders (collectively, “Orders”). All Orders shall specify the quantity, units of measure, price, CB quotation number, billing instructions, delivery location, requested delivery dates, identify any Services being ordered and the requested commencement date for Services, as applicable and any other special instructions. All Orders will be governed by and cannot alter the terms and conditions of this Agreement. CB’s written or electronic communication accepting the Order, shipment of Products or commencement of Services will be CB’s acceptance of Customer’s Order. CB reserves the right to reject an Order and to charge a restocking fee for authorized Order cancellations. Customer agrees that all electronic Orders issued are equivalent to a written Order, are governed by the terms and conditions of this Agreement and that in the event of any conflict between this Agreement and the information contained in Customer’s or CB’s electronic commerce website, this Agreement governs.

2. Changes to Orders. The parties may, by mutual agreement, make changes to an Order ("Change"). The party asking for a Change shall describe in writing the details of the requested Change ("Change Order Request"). CB shall provide in writing to Customer a summary of any and all adjustments to the charges and other changes/charges resulting from the Change Order Request. In no event shall any Change be effective or acted upon in any way until such time as i) an authorized representative of each party has agreed to the terms of the Change Order Request in writing and ii) CB receives an Order from Customer for any additional charges resulting from the Change Order Request.

3. Charges and Payment.
   a) CB shall invoice Customer one hundred percent (100%) of the price of the Products upon shipment of the Products and one hundred percent (100%) of the Services upon completion unless the Service continues beyond thirty days, in which case CB shall invoice Customer at the end of each month for Services performed in that month. Certain reoccurring Services (for example, on-site staff) may be invoiced in advance of the performance of such Services, in each case at the sole discretion of CB. Unless otherwise included as part of quote, Customer will reimburse CB for all reasonable out-of-pocket expenses incurred by CB in performing the Services (including, without limitation, all reasonable travel, meal, lodging and mileage expenses). Amounts are due upon receipt of invoice and shall be paid by Customer within 30 days of the date of such invoice.
   b) Invoicing disputes must be identified in writing within 21 days of invoice receipt. Payments of any disputed amount are due and payable upon resolution. All other amounts remain due within 30 days. In the event of non-payment, CB may suspend performance, product shipments or otherwise
terminate an Order. Customer shall pay interest on any late payments at the maximum rate allowed by law.
c) CB shall ship the Products and additional charges shall apply for shipping, insurance and special handling and administrative support.
d) If any authority imposes a tax, duty, levy or fee, excluding those based on CB’s net income, upon a Product or Service supplied by CB under this Agreement, Customer agrees to pay that amount as specified in the invoice, or supply exemption documentation at the time the Order is submitted. Customer is responsible for personal property taxes for each Product from the date of shipment by CB.
e) Customer consents without qualification to the sale of receivables, in whole or in part, including all or any part of any associated rights, remedies, and obligations, by CB without further notice.

4. **Returns.** Products may not be returned for credit or exchange without the prior written approval of CB. All returned Products must i) reference a return material authorization (RMA) number issued by CB on documentation accompanying such returned Product; ii) be genuine and unaltered; and iii) be in their original packaging. Customer agrees to ship returned Products prepaid and suitably packaged to a location CB designates. All returned Products will be subject to inspection and restocking fees.

5. **Warranty.** Services will be performed in a professional and workmanlike manner. If Services are not performed as warranted and CB is notified in writing by Customer within 30 days of the completion of such Services, CB will re-perform the non-conforming Services. CB shall not be responsible for splice failure due to mechanical damage, overloading of belt, jamming of belt, slippage and overheating, mechanical misalignment and any other cause, except proven defects in workmanship and/or materials used in the completion of such splice. Products are provided on an “AS IS” BASIS WITHOUT WARRANTIES OF ANY KIND, unless CB expressly specifies otherwise in writing. However, Products may carry their own warranties and CB shall pass through to Customer any such warranties to the extent authorized. THESE WARRANTIES AND LIMITATIONS ARE CUSTOMER’S EXCLUSIVE WARRANTIES AND SOLE REMEDIES AND REPLACE ALL OTHER WARRANTIES OR CONDITIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

6. **Title and Risk of Loss.** Title and risk of loss for Products shall pass from CB to Customer upon delivery to the carrier. Until receipt of the applicable amounts due from Customer hereunder, Customer grants to CB a continuing security interest in the Products sold under this Agreement and agrees to support CB in the perfection of such interest. If Products are to be delivered within the Province of Quebec, Customer may be required to execute a Hypothec on Movables Supplement prior to having any Products shipped to a location in such Province. Customer authorizes CB to file financing or continuation statements, including amendments thereto, relating to the Products without the signature of Customer where permitted by law.

7. **Patents and Copyrights.** If a third party claims that the Products infringes that party’s patent or copyright, CB shall have, notwithstanding anything to the contrary herein, no liability or obligation, including, without limitation, to defend or indemnify Customer with respect to such claim.
8. **Intellectual Property Rights.** CB, on behalf of itself and its subcontractors, reserves all proprietary rights in and to i) all methodologies, designs, engineering details, and other data pertaining to the Services and the materials delivered, ii) all original works, computer programs, updates developed in the course of providing the Service (except programs developed by Customer), iii) discoveries, inventions, patents, know-how and techniques arising out of the Services; and iv) any and all products (including software and equipment) developed as a result of the Services. The performance by CB of Services shall not be deemed work for hire.

9. **Limitation of Liability.** IN NO EVENT WILL EITHER PARTY BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES IN CONNECTION WITH OR ARISING OUT OF THIS PURCHASE, INCLUDING, BUT NOT LIMITED TO, DAMAGES FOR INJURIES TO PERSONS OR PROPERTY OR LOSS OF PROFITS (DIRECT OR INDIRECT) OR LOSS OF FUTURE BUSINESS OR REPUTATION, WHETHER BASED IN TORT (INCLUDING NEGLIGENCE), BREACH OF CONTRACT, STRICT LIABILITY OR OTHER BASIS, EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT WILL CB’S LIABILITY FOR CUSTOMER’S DIRECT DAMAGES EXCEED THE PURCHASE PRICE OF THE PRODUCT OR SERVICE.

10. **General.** Customer agrees not to assign, or otherwise transfer this Agreement or Customer’s rights under it, or delegate Customer’s obligations, without CB’s prior written consent, and any attempt to do so is void. Except for non-payment, neither Customer nor CB will bring a legal action under this Agreement more than two years after the cause of action arose. Neither party is responsible for failure to fulfill any obligations due to causes beyond its control. In the event that any provision of this Agreement or portions thereof are held to be invalid or unenforceable, the remainder of this Agreement will remain in full force and effect. Both Customer’s and CB’s obligations under this Agreement and any Order(s) which by their nature would continue beyond the termination, cancellation, or expiration of this Agreement or such Order(s), shall survive such termination, cancellation, or expiration. The laws of the Province of Ontario govern this Agreement, exclusive of its conflict of laws provisions; and nothing in this Agreement affects any statutory rights of consumers that cannot be waived or limited by contract. The parties have requested that this Agreement be drawn up in the English language. Les parties ont demandé que cette convention soit rédigée en langue anglaise.