

1 - Acceptance Agreement.

This Agreement, including these Terms and Conditions, supersedes all other agreements, oral or written, and all other communications between the parties suggesting additional or different terms. It represents the final and complete understanding of the parties and may be amended or cancelled only by written agreement signed by both parties. This Agreement expressly limits acceptance to these terms. No order shall have any force or effect until acknowledged in writing by the Seller. Any proposal for additional or different terms or any attempt by Buyer to vary in any degree any of the terms hereof is hereby deemed material and is objected to and rejected. No terms of any document or form submitted by Buyer shall be effective to alter or add to the terms and conditions in this Agreement. Unless otherwise stated herein, Buyer's receipt of any portion of the goods ("Goods") shall constitute acceptance of this Agreement and all of its terms and conditions, unless Buyer immediately returns all such Goods, with a Return Material Authorization.

2 – Prices.

Seller reserves the right to revise the price for all or parts of any unshipped order by giving Buyer written notice of the revision in price not less than thirty (30) days prior to the effective date of the revision. Buyer shall be deemed to have agreed to such revision unless Buyer rejects such price revision by written notice within ten (10) days after receipt of such notice. Buyer's rejection of such a price revision shall give Seller the option of either canceling that portion of the order to which the price revision is applicable or completing the order at the original price.

3 – Terms of Payment.

Unless otherwise agreed in writing by Seller, terms of sale are net 30 days.

4 – Taxes.

Prices do not include any sales, use, excise, privilege, or other taxes or assessments now or hereafter imposed or levied by or under the authority of any federal, provincial, or local law, rule, or regulation concerning the Goods sold hereunder or the manufacture or sale thereof are the sole responsibility of Buyer.

5 – Risk of Loss.

All risk of loss or damage to Goods shipped hereunder shall pass to Buyer upon delivery thereof to Buyer, to its designated agent, or to a carrier for delivery to Buyer, whichever occurs first. Unless otherwise stated, all shipments will be made F.O.B. Oshawa.

6 – Delivery.

All shipping and delivery dates are estimates based upon prompt receipt of all necessary information. Delays in securing Buyer's approval of necessary specifications or samples of products and materials shall, if Seller so chooses, extend the date of delivery. Seller shall not be liable for any claim, loss, expense, or damage of any kind whatsoever for delays in delivery.

7 – Limited Warranty.

- a) Seller warrants that the Goods will conform to the specifications furnished by Seller or, if agreed in writing by an authorized representative of Seller, specifications furnished by Buyer. Any specifications furnished by Seller must be approved in writing by Buyer before raw materials can be purchased or before Seller can manufacture the Goods.
- b) Buyer is responsible for testing the Goods before installation. If Buyer determines that the Goods fail to conform to the applicable specifications, Buyer must notify Seller in writing within a reasonable amount of time to permit Seller to examine and test the Goods. Seller may, at Seller's option, (I) replace the goods, (II) give the Buyer credit on a future order, or (III) refund the purchase price. This represents Buyer's sole remedy for any breach of warranty.
- c) THESE ARE SELLER'S ONLY WARRANTIES. SELLER MAKES NO OTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED. ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED.
- d) Seller's liability to Buyer or anyone claiming through or on behalf of Buyer, with respect to any claim or loss arising out of this transaction or alleged to have resulted from an act or omission of Seller, whether negligent or otherwise, and whether in tort, contract, or otherwise, including failure to deliver, delay in delivery, or breach of warranty, shall be limited to an amount equal to the purchase price of the Goods with respect to which such liability is claimed or, where appropriate and at the option of Seller, to replacement of the Goods thereof. In no case will Seller be liable for any bodily injury, death, or property damage resulting from or in any way arising out of the Goods or their

sale, use, or manufacture. IN NO EVENT SHALL SELLER BE LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES, LOSSES, OR EXPENSES ARISING OUT OF THIS TRANSACTION.

- e) Seller reserves the right, at any time, to make changes in the design or the specification of the Goods, or any part thereof, which Seller, in its sole discretion, believes will constitute an improvement in such Goods or parts thereof.
- f) Seller is not liable for any alterations of the goods, improper maintenance, abuse of the goods, or improper installation.

8 – Returns

- a) Any Goods to be returned to Seller must have a Return Goods Authorization number issued by Seller before being returned. Any Goods returned without a proper RGA/8D number will not be accepted and will be returned to Buyer at Buyer's expense.
- b) Any Goods returned for Buyer's convenience must be returned as originally shipped. Damaged Goods cannot be returned. All transportation and other applicable charges for Buyer's convenience returns shall be the responsibility of Buyer. Returns for customer convenience are limited to Goods shipped within 60 days prior to the return request date and are subject to restocking charges.
- c) Non-standard and specialty manufactured Goods will not be considered for return. Goods which are deemed non-conforming by Seller may be returned provided and RGA/8D number is issued.

9 – Cancellations.

Order cancellations are subject to cancellation charges as deemed applicable by the Seller to cover all costs and expenses incurred prior to the cancellation of the said order. Cancellation charges may include, but are not limited to, all costs and expenses incurred in producing the Goods (both completed and in process) and the cost of all items and special material purchased for such order. Cancellation charges may be the total cost of manufacturing the Goods.

10 – Force Majeure.

Seller shall not be liable for any delay in failure of performance hereunder due to any contingency beyond its reasonable control, including without limitation; an Act of God; war; civil commotion; sabotage; labour dispute; explosion; fire; accident; power or equipment failure; inability to obtain suitable or sufficient labour, fuel, power, or material; delay of carrier; embargo; or any law, ordinance, rule, or regulation, whether valid or invalid.

11 – Quality Variance.

All orders will be shipped +/- 10% unless previously agreed to by Seller in writing.

12 – Choice of Law Provisions.

The terms and provisions of this agreement shall be construed in accordance with the laws of the Province of Ontario without regard for any rules on conflicts on laws.

13 - Retention of Title.

The Product remains the property of Cleeve Technology Incorporated until the agreed price for the Product has been paid in full by the buyer.