



Terms & Conditions of Sale

These General Conditions of Sale are and shall be applicable to all sales of products and services of Ancaster Conveying Systems ("ACS"). No other or inconsistent conditions of sale shall be binding upon ACS unless specifically agreed to in writing by an authorized official of ACS. ACS' distributors and sales representatives are not authorized officials of ACS for purposes of this provision. Any failure by ACS to object to any inconsistent condition or other communication from a buyer of production or services from ACS shall not be construed as an acceptance of such other inconsistent provision or as a waiver of these General Conditions of Sales

PRICES: Published prices on standard products and services are subject to change without notice. Verbal quotations on custom productions or special services expire at the close of the business day they were made, if not first accepted in writing or withdrawn. Written quotations for custom productions or special services expire 30 days from the date which they bear, unless earlier withdrawn or unless the quotation specifically provides another expiration date.

OFFICIAL CORRESPONDANCE: All official correspondence to include, but not limited to Purchase orders, Specifications, Samples, Construction Drawings, Approval Documentations, Shipping Status, Reports, Shortages of Incorrect Equipment Claims and/or Warranty Claims must be made and addressed to ACS at its principal office in Caledonia, Ontario.

ACCEPTANCE: No purchase order shall be valid and/or binding upon ACS unless first accepted by ACS at its principal office in Caledonia, Ontario.

TERMS OF PAYMENT: Unless otherwise agreed to in writing, payment is due:

- a) Net within 30 days from the date of invoice from buyers whose credit has been approved by ACS.
- b) Upon delivery for all other buyers. ACS with charge a 1 ½ % per month service and carrying charge with respect to all balances which are not paid when due. If a shipment of ACS' products is delayed by the acts of omissions of a buyer, payment shall become due at the time such products would have been shipped and the products will thereafter be stored by ACS at the buyer's expense and risk.

CONFIDENTIALITY: All proposals and price quotations, including any drawings prepared by ACS are confidential and remain the property of ACS. Transmission of all or any part of such information to others, or the use of any such information for the purpose other than considering the purchase of the products described, is prohibited.

TAXES: Any federal, state, provincial or local tax, tariff or charge of duty levied on the sale by ACS of any product or service or on the use or possession of any product after shipment by ACS shall be borne by and paid for by the buyer. If ACS is required by law to collect any such tax, tariff, charge or duty, the buyer will pay the amount thereof to ACS on demand or provide to ACS at the time the purchase order, any applicable exemption certificate or additional documentation.

RESPONSIBILITY FOR DOCUMENTS: Any documents, drawings or samples submitted with a purchase must be picked up by the buyer within a 30-day period. ACS shall no longer be responsible for any such items and may discard them.

ESCALATION: Any price quoted by ACS is calculated on the basis of wage and materials cost in effect at the date of the quotation and may be subject to increase to reflect increases in wage and/or materials cost accordingly.

CHANGES IN SPECIFICATIONS: No specification change shall be valid unless in writing, signed by ACS and the buyer of the product.

LOCAL CONDITIONS: ACS shall not be responsible for determining whether products furnished to any buyer comply with local conditions, codes or interpretations. The buyers of the product shall have the sole responsibility for assuring such compliance.

SHIPPING: Shipping dates are approximate and are dependant upon availability of materials and the cooperation of the buyers. ACS shall not be subject to any liability because of delay in shipping resulting from strike, accident, weather, fire or other conditions beyond ACS' control. ACS shall not be responsible for damage or loss in transit, and the buyer of any product shall have the sole responsibility to pursue any claims against a carrier.

SHORTAGES OR INCORRECT EQUIPMENT: Claims by a buyer of products from ACS for shortages or incorrect products must be made in writing within 10 days after receipt of the shipment by the recipient. Failure to give such written notice to ACS shall constitute in an unqualified acceptance of the shipped products and waiver of any claim by the buyer.



Terms & Conditions of Sale

INSTALLATION: Installation of the Products shall be at the expense of the buyer. ACS can provide installation and start-up service.

In any case where ACS is utilized, the buyer shall nevertheless be obligated to furnish all necessary skilled and unskilled labor, tools, rigging and appliances with respect to the erection of a Product, without responsibility or liability of ACS.

If a Product is installed without ACS' assistance, ACS warranties contained in these general conditions shall not be applicable in the event of any claim of damage which, in ACS opinion, results from inadequate or faulty installation.

WARRANTY: ACS warrants its Products on the following terms and conditions only. THESE EXPRESSED WARRANTIES ARE IN LIEU OF ANY OTHER OBLIGATION OR WARRANTY, WHETHER EXPRESSED OR IMPLIED OR ARISING BY OPERATION OF LAW.

- a) ACS warrants that each of its Products shall be free of defects in workmanship and materials for a period up to one year from the date of installation (but not to exceed 18 months from the date of shipment by ACS from its factory)
- b) ACS warrants that any of its custom Products which are manufactured in accordance with specifications, drawings, plans and designs set forth in writing by the buyer shall reasonably conform to all such written specifications, drawings, plans and designs.
- c) The warranties set forth in (a) and (b) above are subject to and limited by the following:
 - I. ACS' warranty with respect to a component of a Product supplied by another shall not exceed the warranty of the other supplier in terms or conditions.
 - II. ACS' warranties shall be inapplicable if in the opinion of ACS, the Product has been mechanically, electrically or environmentally abused or altered, or if the Product was improperly installed.
 - III. ACS' warranties are applicable only within the continental boundaries of the United States, Hawaii, Canada and Alaska.
 - IV. ACS' warranties are limited to the supply of replacements for the defective part(s), FOB factory.

THIS WARRANTY IS EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING BOTH BUT NOT LIMITED TO THE WARRANTY OF MERCHANTABILITY. THE WARRANTY OF FITNESS FOR USE AND THE WARRANTY OF FITNESS FOR ANY PARTICULAR PURPOSE AND EXCLUDES ANY CLAIMS FOR INDIRECT OR CONSEQUENTIAL LOSSES OR DAMAGES. BUYER ASSUMES ALL RISK AND LIABILITY FOR LOSS, DAMAGE OR INJURY TO THIRD PERSON OR PROPERTY ARISING FROM THE USE OF GOODS SUPPLIED BY SELLER TO BUYER. BUYER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS SELLER AGAINST LIABILITY OR OBLIGATION THAT ARISE FROM CONTRACT OR TORT, INCLUDING BUT NOT LIMITED TO NEGLIGENCE INCLUDING STRICT LIABILITY OR OTHERWISE WITH RESPECT TO ANY INDIRECT OR CONSEQUENTIAL DAMAGES, LOST PROFITS, OVERTIME, REPLACEMENT EQUIPMENT OR SERVICES, PENALTIES, LOSS OR DAMAGE TO BUYER OR ANY THIRD PERSON. IF THE GOODS THAT ARE THE SUBJECT OF THIS AGREEMENT CANNOT BE IN THE SELLER(S) DETERMINATION, ADEQUATELY REPAIRED OR REPLACED, SELLER(S) LIABILITY SHALL NOT EXCEED REPAYMENT OF THE AMOUNT OF PURCHASE FUNDS RECEIVED FROM BUYER.

GOVERNING LAW: Ontario law shall be applicable with respect to, and interpretation of these General Conditions of Sale.

RETURNS/CANCELLATIONS BY BUYER: Unilateral cancellation of a purchase order to ACS shall constitute a breach of contract and shall be subject to a cancellation/restocking charge. This charge shall be a minimum of 30% of the purchase order value and a maximum charge of the selling price of all materials and labor, purchased or expended by ACS to compensate for the disruptions in scheduling, planned productions and other direct costs. No approval shall be granted for the return of Goods under any circumstances where the original invoice date for such Goods is more than one-hundred eighty (180) days prior to the date that a request is made to ACS for such approval. No credit will be issued for returned Goods where the net amount involved is less than \$100.00, except when an error made by ACS is to be corrected.