



Terms and Conditions of Sale

The following Terms and Conditions of sale shall apply to any sale of goods and services (the "Terms and Conditions") by Genrep Ltd./Ltée (hereinafter called "Genrep"). The purchaser pursuant to a Contract, as further defined below (hereinafter, the "Purchaser"), shall be deemed to have full knowledge of the Terms and Conditions herein and such Terms and Conditions shall be binding if either the goods and services referred to herein are delivered to and accepted by the Purchaser, or if the Purchaser does not within five (5) days from the date of receipt of these Terms and Conditions, deliver to Genrep written objection to said Terms and Conditions or any part thereof.

Any reference to Genrep or the Purchaser in these Terms and Conditions shall include each of their respective affiliates, directors, officers, employees, agents, subcontractors and representatives, but does not include the other party in that reference.

In these Terms and Conditions, as appropriate or as required in the context, words importing the singular shall include the plural and vice versa.

1. GENERAL

In the event of any conflict or inconsistency between the Terms and Conditions of sale herein and the Terms and Conditions contained in the Purchaser's order or in any other form issued by the Purchaser, whether or not any such form has been acknowledged or accepted by Genrep, Genrep's Terms and Conditions herein shall prevail. No waiver, alteration or modification of these Terms and Conditions shall be binding upon Genrep unless made in writing and signed by a duly authorized representative of Genrep.

2. QUOTATIONS

Unless otherwise stated, Genrep's quotation shall be null and void unless accepted by the Purchaser before the end of the current calendar month.

Genrep reserves the right to withdraw its quotation until such time as it is accepted by the Purchaser. Acceptance by the Purchaser of the quotation shall not result in a contract unless and until Genrep confirms the same in writing. Genrep reserves the right to decline any Purchaser's order for reason of bad credit or if the order specified an unreasonably large quantity or makes an unreasonable shipment request.

Acceptance of the quotation by the Purchaser must be accompanied by information which is sufficient, in Genrep's opinion, to enable it to proceed forthwith, otherwise Genrep will have the right to amend the offered prices to cover any increase in costs, as determined by Genrep, which has taken place after acceptance and before receipt of such information.

3. PRODUCT DESCRIPTION AND SPECIFICATION

Any contract arising from the Purchaser's acceptance of the quotation (the "Contract") is limited to the goods and services described and expressly identified as such therein. All other descriptive matters submitted prior to or accompanying the quotation, or the Purchaser's order, such as but not limited to: shipping instructions, specifications, drawings, particulars, weight, dimensions and/or descriptions and illustrations contained in the manufacturer's catalogues, price lists and other marketing materials, are approximations only, and are intended to present merely a general idea of the goods and services to be supplied, and shall not form part of the Contract.

Any drawings or other information submitted (the "Drawings") by Genrep for review and/or approval by the Purchaser after the Contract is entered into, shall be returned to Genrep within fourteen (14) days of receipt by the Purchaser. Drawings returned marked either "Reviewed" or "Reviewed as Modified", or a deviation thereof, shall be deemed to be APPROVED by the Purchaser, and Genrep shall be entitled to proceed with the manufacturing and delivery, in accordance therewith, unless in Genrep's opinion the noted corrections involve changes or extras within the meaning of Section 6 herein, in which event the procedure therein specified shall be followed. Genrep shall not proceed with any aspect of ordering and/or manufacturing of the goods, as the case may be, without all necessary information and Drawings to enable Genrep to manufacture or order the goods and/or schedule the services outlined in the Contract.

4. PRICES / COST OF TRANSPORTATION

All quoted prices are based on the current exchange rates, duties, tariffs, taxes, and costs of manufacture. Unless otherwise stated in the quotation, quoted prices are subject to change by Genrep with or without notice until the Purchaser's acceptance of the goods or services. Prices are subject to correction for error. Unless otherwise stated, all prices are free on board ("f.o.b.") factory and include domestic packing. Customary methods of transportation shall be selected by Genrep and such transportation will be at the Purchaser's expense. Special methods of transportation will be used upon the Purchaser's request and at the Purchaser's additional expense provided reasonable notice of the Purchaser's transportation requirements are given by the Purchaser to Genrep prior to shipment.

5. TAXES

Prices do not include Goods & Services Tax, Harmonized, Provincial or Municipal sales, use, value-added or similar tax. Accordingly, in addition to the price specified herein, the amount of any present or future sales, use, value-added or similar tax applicable to the sale of the goods hereunder to or the use of such goods by the Purchaser shall be paid by the Purchaser to the entire exoneration of Genrep.

6. CHANGES, EXTRAS AND TESTS

The Purchaser may, by written notice, request reasonable changes or extras in the goods and services (the "Changes or Extras") after the Drawings have been deemed approved, subject however to the following:

- (i) Genrep may reject such changes which in Genrep's sole opinion are deemed to be impractical or will affect Genrep's warranty or guarantees (if any); or
- (ii) An equitable adjustment of the Contract price, delivery date, or other provisions of the Contract, as the case may be, which in Genrep's sole opinion may be affected by such change. Where such an equitable adjustment is required, Genrep shall notify the Purchaser in writing, in which event Genrep shall not be obligated to make the requested changes unless agreement in writing as to the equitable adjustment is reached.

Genrep shall not be required to furnish additional goods and services resulting from any Changes and Extras unless agreement in writing is reached as to the Terms and Conditions under which Changes and Extras shall be supplied.

The goods provided are inspected, and where practical, tested before delivery. If the Purchaser shall request tests other than those specified in the Contract, or tests in the presence of the Purchaser's representative, these will be charged for as extra to the Contract. Genrep will provide the Purchaser with seven (7) days'

notice of all scheduled test dates, and in the event of any delay on the Purchaser's part in attending such tests, the tests will proceed in the Purchaser's absence, and shall be deemed to have been made in its presence.

7. DELIVERY

Delivery schedules are approximate and are based on prevailing market conditions applicable respectively at the time of Genrep's quotation and Genrep's acceptance of the Purchaser's order. Delivery shall also depend on the prompt receipt by Genrep of the necessary information to allow maintenance of the manufacturer's engineering and manufacturing schedules.

Genrep may extend delivery schedules or may, at its option, cancel the Purchaser's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation.

If Genrep is unable for any reason to supply the total demands for goods and services specified in the Contract, Genrep may allocate its viable supply among any or all customers (including Genrep's Dealers) on such basis as Genrep may deem fair and practical, without liability for any failure of performance which may result therefrom.

8. STORAGE CHARGES

The Purchaser shall authorize shipment of the goods within a period of five (5) business days after notification from Genrep that the goods are ready for shipment. In the event that the Purchaser does not authorize shipment (silence is not deemed approval), or in the event that the Purchaser advises Genrep not to ship the goods, or in the event that the goods are shipped as arranged but are returned by the carrier by reason of inability or refusal by the Purchaser to receive the goods, the Purchaser shall arrange and pay the costs of suitable storage, protection and insurance. If the Purchaser is unable to arrange for such storage, Genrep may arrange for the same at its premises or elsewhere and all risk shall be for the account of and shall be payable by the Purchaser, and Genrep reserves the right to bill the Purchaser for the greater of: (a) all charges associated with such storage, including but not limited to insurance and demurrage; or (b) a minimum of 1.5% of the Contract value, per month, at Genrep's discretion. In any such event, Genrep shall be entitled to invoice the goods at a date no later than fourteen (14) days after Genrep's initial shipment notification.

9. SHIPMENT/DAMAGES OR SHORTAGES IN TRANSPORT/RISK

Except for obligations stated under Section 133 herein, Genrep's responsibility for goods ceases upon pick up by the carrier. In the event of loss or damage during shipment, the Purchaser's claim shall be against the carrier only. Genrep will, however, give the Purchaser any reasonable assistance to secure adjustment of the Purchaser's claim against the carrier provided immediate notice of such claim is given by the Purchaser to Genrep. Claims for shortages must be made in writing within ten (10) days after receipt of goods by the Purchaser. If Genrep does not receive written notification of such shortages within such ten (10) days, it shall be conclusively presumed that the goods were delivered in their entirety.

Unless agreed upon otherwise in writing, Genrep reserves the right to make partial shipments and to submit invoices for partial shipments.

10. TITLE

Title to the products sold shall pass to the Purchaser only when the Purchaser has fully paid for the product. It is expressly agreed by the Purchaser and Genrep that notwithstanding any Terms and Conditions of delivery of the products, title to and ownership of the products shall remain to Genrep until each and every product is paid for in full. Genrep retains and reserves title and a right of property on the products until paid in full by the Purchaser. Genrep shall not be responsible, nor liable for any damage or loss of, or part of, the products while in transit. The Purchaser assumes full risk of loss, damage to or destruction of the products, from and after the time, at which the product Genrep's warehouse or shipping location(s). The Purchaser must maintain, at its sole liability and cost, as it deems appropriate, all insurance coverage for the products.

The goods shall be and remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, the Purchaser agrees that Genrep may retain all payments which have been made on account of the purchase price as liquidated damages, and Genrep shall be free to enter the premises where the goods may be located and remove them as Genrep's property, without prejudice to Genrep's right to recover any further expenses or damages Genrep may suffer by reason of such nonpayment. Notwithstanding the terms hereof, risk will pass to the Purchaser at point of shipment.

11. LIABILITY

Genrep shall not be liable for and shall be held harmless by the Purchaser from any damage, losses or claims of whatever kind, contractual or delictual, consequential or incidental, direct or indirect, arising out of, in connection with or resulting from the sale governed hereby or the goods, including, but without limitation, the manufacture, repair, handling, installation, possession, use, operation or dismantling of the goods and any and all claims, actions, suits, and proceedings which may be instituted in respect to the foregoing.

Any performance figures given by Genrep to the Purchaser are general estimates only and are subject to recognized tolerances and to performance tests and adjustments by Genrep for which it is to be given reasonable opportunity and time to carry out. Genrep shall be under no liability for damage or otherwise for failure to attain any such performance figures, unless otherwise expressly guaranteed in writing to the Purchaser.

12. INSOLVENCY, BANKRUPTCY AND OTHER ACTS OF DEFAULTS OF THE PURCHASER

Genrep shall deem any of the following acts as an "Act of Default" caused by Purchaser:

- (i) if the Purchaser should become insolvent or bankrupt, voluntarily or involuntarily under bankruptcy laws or any other motion under any other legislation is filed against the Purchaser by another party;
- (ii) a trustee or receiver in bankruptcy has been appointed for the Purchaser;
- (iii) if Genrep reasonably believes that there is the slightest possibility that the Purchaser, for any reason whatsoever, does not have the capacity to comply with its obligations under the Agreement;
- (iv) if the Genrep is convinced, in its own assessment, that acts have or may be posed by the Purchaser that are intended to defraud the Purchaser's creditors;



- (v) there is a change in the corporate control of the Purchaser without prior written approval from Genrep;
- (vi) there has been a change in the corporate name or control of the Purchaser, due to merger or acquisition, or divestiture of any part of the business of the Purchaser without prior written approval from Genrep;
- (vii) if the Purchaser has defaulted to pay its invoices, pursuant to the terms of payment as set out herein; or
- (viii) if the Purchaser has breached any other provision of the Terms and Conditions.

If any number of the above Acts of Default should occur, Genrep may, at its option and sole discretion, and in addition to and not in lieu of any other rights and remedies that it may assert, as well as according to the appropriate laws, demand from the Purchaser immediate payment in advance, satisfactory surety or guaranty, or an irrevocable letter of credit, guaranteeing that any invoice amounts will be paid promptly when due. If the Purchaser fails to satisfy such demand within five (5) days, as well as any other actions required by Genrep, then Genrep may, without further notice, cancel all unfulfilled orders of the Purchaser and declare the total owed by the Purchaser for any given order(s) or even the whole of the Purchaser's account immediately due and payable.

13. FORCE MAJEURE

Genrep shall not be responsible or liable for any loss or damage incurred by the Purchaser herein resulting from causes beyond the reasonable control of Genrep including, but without limitation, acts of God, war, invasion, insurrection, riot, the order of any civil or military authority, fire, flood, weather, acts of the elements, delays in transportation, unavailability of equipment or materials, breakdown, sabotage, lock-outs, strikes or labour disputes, faulty castings or forgings, or the failure of Genrep's suppliers to meet their delivery promises. The acceptance of delivery of the goods and services by the Purchaser shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.

14. WARRANTY

The Purchaser assumes responsibility that the goods stipulated are sufficient and suitable for its purposes, and no warranty, condition or representation is made by Genrep with respect thereto or with respect to performance of the goods for the Purchaser's usage or application.

Goods sold hereunder are covered by a warranty against defects in material and workmanship provided the goods and services are subjected to normal use and service. The applicable warranty period is twelve (12) months from the shipping date to the Purchaser of any item of the goods, or any other warranty period otherwise stipulated in writing by Genrep under this sale. For components not supplied by Genrep, the original manufacturer's warranty shall apply to the extent assignable by Genrep. The obligation under this warranty is limited to the repair or replacement, at Genrep's option, of defective parts, f.o.b. point of shipment, provided that prompt notice of any defect is given by the Purchaser to Genrep in writing within the applicable warranty period and that upon the Purchaser's return of the defective parts to Genrep or, if designated by Genrep, to the location where the works are made, properly packed and with transportation charges prepaid by the Purchaser, an inspection thereof shall reveal to Genrep's satisfaction that the Purchaser's claim is valid under the terms of this warranty. The Purchaser shall assume all responsibility and expense for dismantling, removal, re-installation and freight in connection with the foregoing. The same obligations and conditions extend to replacement parts furnished by Genrep hereunder. All defective or failed parts replaced by Genrep under warranty shall become Genrep's property.

Genrep does not assume liability for installation, labour or consequential damages. Genrep makes no warranty other than the one set forth herein. All other warranties, legal, expressed or implied, including but not limited to any expressed or implied warranty of merchantability, of fitness for the intended use thereof or against infringement are hereby expressly excluded.

The applicable warranty ceases to be effective if the goods are altered or repaired other than by persons authorized or approved by Genrep to perform such work. Repairs or replacement deliveries do not interrupt or prolong the term of the warranty.

The warranty ceases to be effective if the Purchaser fails to install, operate and use the goods sold hereunder in a safe and reasonable manner and in accordance with any written instructions from the manufacturers.

15. RESALE OF PRODUCT

The Purchaser, excepting a Genrep appointed Dealer, shall not resell any goods under trademarks, trade names or brands affixed to the goods or any other trademarks, trade names or brands owner, or used under license, by Genrep (the "Trademarks"). If the Purchaser, except a Genrep appointed Dealer, resells any goods, it does so entirely at its own risk and without benefit of any warranty or representation as to quality or specifications by Genrep.

16. INSTALLATION

Unless otherwise expressly stipulated, the goods shall be installed by and at the risk and expense of the Purchaser. In the event that Genrep is requested to supervise such installation, Genrep's responsibility shall be limited to exercising that degree of skill customary in the trade in supervising installations of the same type. The Purchaser shall remain responsible for all other aspects of the work including compliance with the local regulations.

17. RETURNED GOODS

No goods may be returned to Genrep without Genrep's prior written permission. Genrep reserves the right to decline all returns or to accept them subject to a handling/restocking charge. Even after Genrep has authorized the return of goods for credit, Genrep reserves the right to adjust the amount of any credit given to the Purchaser on return of the goods based on the conditions of the goods on arrival in Genrep's warehouse. Credit for returned goods will be issued to the Purchaser only where such goods are returned by the Purchaser and not by any subsequent owner of the goods. Goods will be considered for return only if they are in their original condition and packaging, freight prepaid, and only standard materials, regularly maintained in stock by Genrep, will be considered for return.

18. TERMS OF PAYMENT

Prices referred to in the Contract or otherwise provided to the Purchaser shall be in Canadian currency, unless otherwise specified and shall be made payable to Genrep Ltd./Ltée at 121 Watline Avenue, Mississauga, ON L4Z 1P2. Prices are strictly net and no cash discounts are made available to the Purchaser, unless otherwise

stated. Unless otherwise stated, invoices on "open account" shipment are payable within thirty (30) days of invoice date. Remittance for the full purchase price must accompany all C.O.D. orders. Should payment not be made to Genrep when due, Genrep reserves the right, until the price has been fully paid in cash, to charge the Purchaser with interest on such overdue payments at the rate of eighteen percent (18%) per annum. The charging of such interest shall not be construed as obligating Genrep to grant any extension of time in the terms of payment.

Genrep shall be entitled to invoice for goods as they are shipped, either in whole or in parts, and reserves the right to progress bill, including any down-payments or hold-backs, as the case may be.

19. CANCELLATION

Orders accepted by Genrep are not subject to cancellation by the Purchaser, except with Genrep's written consent.

In such cases where Genrep authorizes cancellation, Genrep reserves the right to charge the Purchaser with reasonable costs based upon expenses already incurred and commitments made by Genrep, including, without limitation, any labour done, material purchased and also including Supplier's usual overhead and reasonable profit and cancellation charges from Genrep's suppliers.

20. THE AGREEMENT

An acceptance and official confirmation of the Purchaser's order by Genrep shall constitute the complete agreement, subject to the Terms and Conditions of sale herein set forth, and shall supersede all previous quotations, orders or agreements.

21. WAIVER

Any failure of Genrep to enforce any provision or to exercise any of its rights pursuant to the Terms and Conditions, or the Contract related thereto, shall not constitute a waiver, estoppel or relinquishment of any terms, conditions or rights pursuant to the Terms and Conditions and will not limit Genrep's right to enforce strict compliance of its rights at a later date.

22. GOVERNING LAWS AND JURISDICTION

Outside the Province of Quebec

If the Purchaser's business office shown on the Contract is anywhere outside the Province of the Quebec, then this Provision shall govern. The validity, construction and performance of the Terms and Conditions and the Contract shall be governed by and interpreted in accordance with the laws of the Province of Ontario. For all litigation arising out of any disputes between the Purchaser and the Purchaser, the Purchaser and the Purchaser consent to the exclusive jurisdiction of the Courts of the Province of Ontario, namely the Court offices in Mississauga Ontario, and agree that any and all such litigation will be determined exclusively by such Courts. However, notwithstanding the above, the Purchaser agrees and consents that the Purchaser may, at its sole discretion, commence any action in any jurisdiction and subject to the laws and court of said jurisdiction, where the Purchaser conducts business or where the product is located.

Within the Province of Quebec

If the Purchaser's business offices are within the Province of the Quebec, then this Section shall govern. The validity, construction and performance of the Terms and Conditions and the Contract related thereto shall be governed by and interpreted in accordance with the laws of the Province of Québec. For all litigation arising out of any disputes between the Purchaser and Genrep, the Purchaser and Genrep consent to the exclusive jurisdiction of the Courts of the Province of Québec – district of Montréal - and agree that any and all such litigation will be determined exclusively by such Courts. However, notwithstanding the above, the Purchaser agrees and consents that the Purchaser may, at its sole discretion, commence any action in any jurisdiction and subject to the laws and court of said jurisdiction, where the Purchaser conducts business or where the product is located.

23. SEVERABILITY

If any provision in the present Terms and Conditions should be held invalid, unenforceable or against public policy by a Canadian court of competent jurisdiction, the remaining provisions shall remain valid with full force and effect.

24. LANGUAGE

The Parties hereby acknowledge that they have expressly requested and are satisfied that these Terms and Conditions, and the documents related thereto, be drawn in English. Les parties aux présentes reconnaissent qu'ils ont expressément exigé que les présentes, ainsi que les documents qui s'y rattachent, soient rédigés en anglais, et s'en déclarent satisfaits.