



## **CATHODIC TECHNOLOGY LTD. TERMS AND CONDITIONS OF SALE**

### **SCOPE**

The terms and conditions of sale contained herein apply to suppliers quotations and purchase orders placed by buyer. These terms and conditions may in some instances conflict with some of the terms and conditions on buyers form of purchase order or as otherwise specified by buyer or these terms and conditions may cover matters not addressed in buyers documentation. Therefore, acceptance of buyers order is made only on the express understanding and condition that suppliers terms and conditions shall govern, irrespective of whether the buyer accepts these conditions by written acknowledgement, by implication, or by acceptance and or payment for goods ordered.

### **METHOD OF PAYMENT**

Payment must be made, in full, by bank transfer, VISA, MasterCard or ILOC (ILOC add 10%) prior to shipping. Where supplier has extended credit to buyer, the terms of payment shall be net thirty (30) days from the date of suppliers invoice. Overdue accounts are subject to interest of 2% /month (26.8242%/annum) thereafter, applied to interest first and principal second. If buyer fails to make payment for goods delivered as herein provided, or if, in suppliers opinion, a change in buyers financial condition or other circumstances has created reasonable concerns as to their credit worthiness, supplier may at any time limit or cancel the credit of buyer as to time and amount and may demand payment in cash before delivery of any part of the goods.

### **ADDITIONAL DOCUMENTATION**

Supplier reserves the right to, at its discretion, charge for the provision of any additional documentation that may be requested by buyer such as quality control certificates and documents, Canadian Standards Association certificates or any other documentation required to satisfy ISO requirements or as requested by buyer that would not normally be supplied with the equipment. Such documentation will be charged to buyer at a minimum of suppliers cost + 25%. Additional documentation must be specified and requested at time of quotation.

### **INSPECTION**

Pre shipping inspections should be carried out at buyers expense at suppliers facility in Bolton, Ontario, Canada, at a time mutually agreeable to both supplier and buyer. Buyer shall either accept or reject all shipments of goods within thirty (30) days of receipt by buyer. In the event that buyer does not either complete final inspection and accept the goods or present a rejection notice to supplier in writing within the thirty (30) days of delivery, the goods shall be conclusively deemed accepted. At that time buyers only recourse or remedy for non-conforming or defective goods shall be suppliers standard warranty.

### **TAXES**

Any tax or government charge by any Federal, State, Provincial or Municipal government applicable to the goods sold hereunder now imposed or hereafter becoming effective during the term of any contract made hereunder shall be added by supplier to the sales price where supplier has the legal obligation to collect or pay same, and shall be paid by buyer unless providing supplier with a valid tax exemption certificate. Any duties, levies, taxes, brokerage fees or customs fees imposed in buyers country to shipments made under this contract shall be paid by buyer.

**SHIPPING**

All goods shipped F.O.B. Bolton, Ontario, Canada & shipped by the carrier of suppliers choice unless otherwise specified by buyer. In the event goods are shipped FOB destination the prices quoted may be subject to any change in freight rates effective before shipment is made. Export crating provided at additional cost (not standard).

**TITLE AND DELIVERY**

The goods shall be considered delivered and risk of loss shall pass to buyer upon suppliers delivery of the goods to a common carrier for shipment to the buyer. Title in the goods shall not pass to buyer until supplier has received all monies owed by buyer under this or any other agreement. Until such time as title of the goods passes to buyer, buyer shall hold the goods as suppliers fiduciary agent and shall keep the goods properly stored, protected, insured, and identified as suppliers property and bear the costs thereof. In the event of termination of this agreement by reason of non payment by buyer of amounts due under this agreement or any other agreement between supplier and buyer, supplier shall be entitled at any time to require buyer to deliver up the goods to supplier and, if buyer fails to do so, to enter the premises of buyer for the purposes of repossessing the goods.

**DELIVERY SCHEDULE**

Buyer understands that any delivery schedule set forth herein, or in any subsequent order or order release, is estimated only, cannot be guaranteed and is presented in good faith by supplier. Supplier will use its best efforts to meet such schedule however in no event will supplier be liable for any indirect, general, special, exemplary, punitive, incidental or consequential damages, resulting from any failure to meet any delivery schedule or for the cost of procurement of substitute goods. The limit of liability for any failure by supplier to meet any delivery schedule shall be the return of any amount paid or prepaid on account of the goods not delivered or delivered late.

**CANCELLATIONS**

No cancellations or reschedules will be accepted within thirty (30) days of the scheduled ship date. All cancellations and reschedules of orders by buyer between thirty one (31) and eighty nine (89) days prior to the scheduled ship date shall result in a charge to buyer of 25% of the order value plus a fee to be determined by supplier based on such factors as whether the product was manufactured specifically for buyer, suppliers ability to change it's production schedule within the period of notice provided by buyer, whether supplier acquired or allocated particular supplies or equipment to meet buyers order, etc. Buyer shall have no liability for restocking charges if buyer has provided written notice to supplier at least ninety (90) days prior to scheduled delivery date.

**CONTINGENCIES**

Neither party shall be liable for delay in performance or failure to perform in whole or in part the terms of this agreement due to strike, labor dispute, war, riot or civil commotion, acts of the public enemy, fire, flood, or other acts of God, scarcity of labor, materials or supplies unanticipated manufacturing processes or yield problems, or causes beyond the reasonable control of such party. The period for performance for the party affected shall be extended by the duration of the condition.

**MODIFICATION OF STANDARD TERMS AND CONDITIONS**

No addition to or modification of the terms and conditions shall be binding upon supplier unless made in writing and signed by a duly authorized employee of supplier located in Bolton, Ontario, Canada.

**ARBITRATION**

In the event that any dispute arises between supplier and buyer with respect to any of the provisions of this form or the performance of the terms and conditions hereof or of any modification hereof, such dispute, if not settled by negotiations between the parties within a reasonable period of time, shall be settled under Canadian laws. This agreement shall be governed by and construed under the laws of the Province of Ontario, and Canada without regard to conflicts of laws provisions thereof or the United Nations Convention on Contracts for the International Sale of Goods. The sole jurisdiction and venue for actions related to the subject matter hereof shall be the provincial and federal Canadian courts in the Province of Ontario, located in Toronto, Ontario, Canada.

**LIMIT OF LIABILITY**

Suppliers liability is limited to refunding of the cost of the product or defective parts at the purchase price of the goods. Under no circumstances will supplier be liable for any indirect, general, special, exemplary, punitive, incidental or consequential damages, however caused, whether foreseen or unforeseen or for the costs of substitute goods or services, whether due to breach of contract, breach of warranty or otherwise.

**CONTRACT**

This quotation constitutes a contract, upon order acceptance by supplier, and there are no representations, agreements, warranties or conditions, expressed or implied, statutory or otherwise affecting the product other than as set out by supplier. No distributor, agent or manufacturers representative has authority to make any changes. Buyer accepts the terms and conditions as outlined and must request any changes in writing, which, to be effective, must be received by supplier before the order is begun.

**RETURNS**

No claims for defective material or products will be allowed unless such claims are made in writing within thirty days (30) from date of delivery and no material may be returned for credit, exchange or repair without first obtaining a Return Goods Authorization form. All approved returns are FOB suppliers plant.

- A. The term "supplier" shall mean Cathodic Technology Ltd. The "term" buyer shall mean the third party placing the purchase order.
- B. No contractual relationship between supplier and buyer shall arise until such time as buyer has placed an order that has been accepted by supplier.
- C. Stenographic and clerical errors contained herein are subject to correction at supplier discretion
- D. Orders shall be subject to all of suppliers terms and conditions printed above.



