

TERMS AND CONDITIONS

1. **ENTIRE AGREEMENT.** This Quotation ("Quotation"), including all of the terms and provisions set forth on both sides hereof, constitutes the entire agreement between Buyer, as identified on the front side hereof, and **EAGLE PRESS & EQUIPMENT CO. LTD.** ("Company"). No change, modification, amendment or other agreement with regard to this Quotation shall be binding upon Company unless made in writing and signed by an authorized officer of Company. The terms and provisions of this Quotation shall govern and control the terms of any purchase order or confirmation form from Buyer. Any additional or different terms in Buyer's purchase order or confirmation will not be binding on Company. Buyer acknowledges that Company has not authorized any of its sales agents or representatives to make any representations, warranties or agreements on behalf of, or to bind Company in any way.

This Quotation is subject to acceptance within fifteen (15) days and is subject to withdrawal at any time before acceptance by Buyer, without notice.

2. **PRICES.** The prices and charges for the goods and other items quoted in this Quotation are subject to increases and shall be increased to and invoiced at the prices and charges in effect at the time of shipment, notwithstanding the price quoted on the front side of this Quotation. The prices for the goods specified herein do not include any federal, provincial, state, and/or local taxes, whether presently existing or subsequently imposed in the future, regardless of how described, including, but not limited to, Harmonized Sales Tax ("HST"), supply, sales, use, excise, consumption, processing, manufacturing, receipt, income, property, occupational, delivery, storage, transportation and related taxes ("Taxes"). Buyer shall pay all Taxes promptly when due. All prices are F.O.B. the location of Company. Buyer shall pay all costs and charges for or relating to delivery, shipment, freight, transportation, handling, storage, insurance, and related items with regard thereto.

3. **PAYMENT.** Buyer shall pay this Quotation in full, without any offset, deduction, or delay within the terms indicated on the front of this Quotation. Delinquent payments shall accrue interest at the rate of Twelve (12%) percent per annum. In the event of a dispute hereunder, threatened or actual, between the Company and Buyer, Buyer shall pay to Company all costs incurred by Company in enforcing the terms and provisions hereof, including, but not limited to, travel expenses, court costs, litigation costs and reasonable legal fees.

4. **DELIVERY.** Delivery of the goods shall be to the carrier for Buyer at the location of Company. Company may select the carrier and routing. If delivery is delayed by Buyer or by reason of any contingency referred to herein, the storage of the goods for the account of Buyer shall constitute delivery and acceptance of the goods by Buyer. All deadlines and delivery dates are approximates and estimates. Shipment of the goods is specifically conditioned upon (a) prompt receipt of all necessary information and approvals from Buyer, (b) availability of the goods, labour, transportation, and capital, and (c) the payment to Company by Buyer of all monies otherwise due. Company may deliver or ship the goods in installments. All installments may be separately invoiced and paid as billed without regard to subsequent deliveries. Failure to pay for any installment when due shall excuse and release Company from making further deliveries to Buyer under any other agreement with Buyer and Company may bring a separate action to recover the contract price of each such shipment, delivery or installment. All deadlines and dates shall be adjusted and extended, and Company shall not be liable whatsoever for any delays in delivery or any failure to deliver the goods, due to causes beyond the control of Company, including but not limited to acts of God, war, mobilization, civil commotion, riots, embargoes, domestic or foreign governmental regulations or order, fires, floods, weather, strikes, lock outs, labour difficulties, machinery breakdowns, shortages or inability to obtain goods, labour, capital, shippers, or other related items with regard thereto. Company shall have such additional time to ship and/or deliver the goods as may be reasonable or appropriate under all circumstances. All risk of loss, damage, and other incidentals of ownership of and to the goods shall immediately pass to Buyer upon the earlier of the delivery of the goods to (a) the Shipper or (b) Buyer. Claims for damage in transit shall be processed solely by Buyer directly with the carrier and Company shall have no liability to Buyer with respect to any act or omission of the carrier. Under no circumstances shall the Company be liable to Buyer or any other person for any special incident or consequential damages including without limitation damages based upon lost goodwill, lost sales or profits, work, stoppage, product failure, impairment of other goods or otherwise and whether arising from a breach of warranty, breach of contract, negligence or otherwise.

5. **UNSHIPPED ITEMS FROM ATTACHMENT.** For any unshipped balance of items, resulting from Buyer's refusal or inability to take delivery of the goods remaining in the Company's possession thirty (30) days after the completion date, the Buyer shall pay the Company storage charges of one percent (1%) of the invoice value, per month, to be billed and paid monthly. If the delivery of any items has not been completed within six (6) months from such completion date, the Buyer authorizes the Company to dispose of such items for the Buyer's account.

6. **SUBSTITUTION.** The Company makes no specific warranty in or pertaining to the sub-components comprised in the items sold pursuant to this Quotation. The Company reserves the right, from the time to time, and at any time, to substitute components and sub-components comprising the items delivered pursuant to this Quotation provided that such substitution shall in no way affect the operating performance, specifications or characteristics of the items purchased and sold pursuant to this Quotation. The Company also assigns to the Buyer all of its rights arising out of the manufacturer's warranties relating to such components or sub-components. The Company shall be under no further obligation to supply commercial parts for the items shipped under this Quotation. However, the Company shall use its best efforts to obtain supplies of commercially available spare parts to be supplied to the Buyer from the Company's own suppliers. No supply of submitted or further spare parts shall extend, modify, or in any way alter the terms of the warranties granted hereunder.

7. **INSPECTION.** Buyer shall physically inspect and examine the goods at time of receipt. In the event Buyer is of the opinion that the goods do not comply with the terms of this Quotation, Buyer shall immediately notify Company in writing of any such alleged non-compliance. If Company has not received actual written notice within ten (10) days after receipt of a shipment, of the failure of the shipment to meet the specifications, then the shipment and the goods shall be conclusively presumed to fully satisfy the terms and specifications therefor, and full payment shall be due in accordance with the terms of this Quotation.

8. **WARRANTY.** Subject to the other provisions of Eagle's proposal and these terms and conditions, and provided that the Products are installed, used and maintained in accordance with the manufacturer's and Eagle's manuals and instructions, and the Products are used for their normal intended use, Eagle warrants, to the original Purchaser only, that presses manufactured by Eagle will be free from defects in materials and workmanship for a term of one (1) year from the date of Acceptance and any non-press Products, including auxiliary equipment, spare and repair parts, manufactured by Eagle will be free from defects in materials and workmanship for a period of thirty (30) days, unless specified otherwise in writing by Eagle. Purchaser shall be deemed to have effected "Acceptance" of the Products on the earlier of the date when Purchaser: a) signs the "Eagle Acknowledgement Acceptance;" b) places the Products in Commercial Operation; or c) sixty (60) days from the date of delivery. "Commercial Operation is defined as production runs which Purchaser delivers to its customers and/or for which Purchaser receives compensation pursuant to orders placed by Purchaser's customers, or for Purchaser's own internal use. Any Products (whether presses, auxiliary equipment, spare or repair parts) sold hereunder, but not manufactured by Eagle will be warranted by Eagle only to the extent provided by and enforceable against the manufacturer of such Products.

Eagle's warranty obligation shall be limited, at Eagle's option, to the repair or replacement of such Products which examination shall disclose to the satisfaction of Eagle to have been defective, during such applicable warranty period, under ordinary and normal use, provided written notice of such defects shall be given to Eagle by Purchaser within thirty (30) days after such defect first becomes apparent or suspect. No allowance will be made for any expenses incurred by Purchaser in repairing defective Products or parts, or supplying any missing Products or parts, except with the prior written consent of Eagle. In any case where Eagle is effecting the replacement or repair of any defective Products or parts, Purchaser shall have the responsibility and bear all the costs of procuring and providing all necessary dismantling, reassembling and handling facilities in connection therewith.

NOTWITHSTANDING ANY PROVISION OF THESE TERMS AND CONDITIONS, OR OTHERWISE, THE WARRANTY CONTAINED IN THIS PARAGRAPH, AS LIMITED HEREIN, IS THE ONLY WARRANTY EXTENDED BY EAGLE IN CONNECTION WITH ANY SALE OR SERVICE OF PRODUCTS, AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WARRANTIES OF NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE. PURCHASER ACKNOWLEDGES THAT NO DEALER, EMPLOYEE OR THIRD PARTY IS AUTHORIZED TO VARY OR EXPAND THE

FOREGOING WARRANTY, UNLESS SUCH VARIANCE OR EXPANSION IS EXPRESSLY SET FORTH IN A DOCUMENT EXECUTED BY AN AUTHORIZED OFFICER OF Eagle. IN NO EVENT SHALL EAGLE HAVE ANY LIABILITY WHATSOEVER TO PURCHASER, BY WARRANTY OR OTHERWISE, WITH RESPECT TO THE PURCHASE, SALE, USE OR SERVICE OF THE PRODUCTS, FOR PAYMENT OF ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT OR SPECIAL DAMAGES OF ANY KIND, INCLUDING BUT NOT LIMITED TO, ANY LOSS OF BUSINESS OR PROFITS. AS NOTED IN PARAGRAPH 9, BELOW, EAGLE'S PRESSES ARE PROVIDED WITH PASSWORD PROTECTED MACHINE CONTROL SOFTWARE. MODIFICATIONS OF SUCH SOFTWARE OR CONTROLS, WITHOUT EXPRESS WRITTEN AUTHORIZATION BY EAGLE, WILL VOID ALL WARRANTIES OF EAGLE AND WILL ABSOLVE EAGLE FROM ANY LIABILITIES OR OBLIGATIONS UNDER THIS AGREEMENT, OR OTHERWISE, WHETHER EXPRESSED OR IMPLIED.

9. **INDEMNIFICATION.** It will be the Buyer's responsibility to supply and ensure, in accordance with all applicable health and safety legislation in Buyer's jurisdiction, the use of a properly applied and adjusted point of operation safety device on every operation performed on an EAGLE PRESS. Without limiting the generality of the foregoing the Buyer shall use and shall require the use of all necessary safety devices and guards as well as safety procedures outlined in the equipment manual but, in any event, not less than required in Buyer's jurisdiction. If the Buyer fails to comply with safe operating procedures and/or modifies or removes any safe-guarding devices or breaches any health or safety legislation, Buyer agrees to indemnify and hold the Company harmless from any damages, liability or obligation to persons or articles, injured or damaged directly or indirectly in connection with the operation of any EAGLE PRESS.

In the event of any incident or malfunction involving an EAGLE PRESS, the Buyer shall, within 30 days of an accident, notify the Company and shall co-operate fully with the Company in investigating and determining the cause of any such accident or malfunction, failing which the Company is released from all warranties to Buyer.

10. **WITHDRAWAL OF CREDIT.** Company may change, modify, amend, suspend, discontinue, terminate and/or otherwise revoke any credit extended to Buyer (a) if Buyer fails to pay any monies due to the Company or (b) if in the judgement of Company there has been a materially adverse change in Buyer's financial condition and thereupon Company may demand payment or other assurance as Company may in its sole and absolute discretion require, before shipment of any further goods. Buyer represents and warrants to Company, and Company is relying on the fact that, Buyer is solvent, creditworthy, and has the financial ability to pay for the goods in accordance with the terms thereof.

11. **RETAIN SECURITY INTEREST.** Company shall retain a perfected, purchase money first security interest and a security agreement in all goods and in all proceeds from the sale of the goods until payment of the purchase price and all other amounts owing pursuant to this Quotation, have been paid in full. Buyer shall hold and retain any such sale proceeds in trust for and for the benefit of Company until all money due to the Company is paid in full. Buyer shall execute and deliver any Uniform Commercial Code and/or Personal Property Security Act (Ontario) Financing Statements, or other instruments, whether under the laws of Ontario or any State and perform all acts which may be desirable for the perfection and continuation of Company's security interest hereunder. If Buyer (a) defaults under any agreement with Company, including this Quotation, or (b) becomes insolvent, is declared bankrupt, makes an assignment for the benefit of creditors, or is liquidated or dissolved, then Company may exercise all rights, and pursue all remedies available under law, concurrently, including the right to purchase goods at any public or private sale and take immediate physical possession of the goods. Buyer shall pay all expenses incurred by Company in retaking, holding, preparing for sale, or selling the goods, including reasonable legal fees.

12. **REPOSSESSION.** If Buyer (a) defaults under any agreement with Company, including this Quotation, or (b) becomes insolvent, is declared bankrupt, makes an assignment for the benefit of creditors or is liquidated or dissolved, or misrepresents its financial condition prior to the delivery of the goods, then Company may immediately render unusable, reclaim, repossess, and take actual physical possession of all or any part of the goods which have been transferred from Company to Buyer. Buyer shall grant unrestricted access to the goods to permit Company to physically render them unusable, reclaim, repossess, and retake the goods. Buyer understands and acknowledges that Company may not have an adequate remedy at law for the breach or threatened breach of this

Quotation and the Company may in addition to any other remedies which may be available hereunder, file a suit in equity to specifically enforce the terms and provisions hereof by obtaining the issuance of an ex-parte restraining order to enjoin and prohibit Buyer from transferring and/or altering, destroying or impairing the goods. Additionally, the Company may obtain whatever other and additional equitable relief as is appropriate to compel Buyer to permit Company to physically reclaim, repossess and retake the goods.

13. **CORRECTION.** Company may on written notice to Buyer unilaterally correct any arithmetic, typographical, clerical, or related errors contained herein, and the corrected copy hereof shall be binding upon the Buyer as if it was the original hereof and even if not signed by Buyer.

14. **WAIVER.** The waiver by Company of any of the terms and conditions contained herein shall not constitute or be deemed a future waiver of the same or other terms or conditions of this Quotation, nor shall such waiver with respect to this or any other Quotation be deemed as a binding course of performance or conduct which is inconsistent with the terms of this Quotation.

15. **CONFORMITY.** If any term or provision of this Quotation is held invalid by a court of competent jurisdiction, then such term or provision shall be enforceable to such extent as the court may determine to be lawful, and Company and Buyer hereby attorn to the court for the purpose of the making of such determination by the court. Furthermore, such invalidity shall not affect the other terms and provisions of this Quotation, which shall be given full effect as though the invalid term or provision were not, in the first instance, included herein.

16. **TERMINATION.** Company may delay or discontinue shipment of the goods and/ or terminate this Quotation without any liability or obligation whatsoever to Buyer if (a) Buyer defaults under any agreement with Company, (b) the business and/or operation of Company are disrupted or adversely affected due to causes beyond the control of Company, (c) goods, labour, transportation and/or capital are not readily available, and/or (d) Buyer is or becomes bankrupt, insolvent, makes an assignment for the benefit of its creditors, fails to pay its debts as due, and/or otherwise suspends its business operations. Buyer may not terminate this agreement. In the event Buyer terminates this Agreement, Buyer shall indemnify Company from any and all losses, costs and expenses associated therewith, including, but not limited to loss of profit, lost opportunities, direct, consequential, and incidental damages, injury to good will and reputation.

17. **CANCELLATION.** Buyer's wrongful non-acceptance of the items sold pursuant to this Quotation, or cancellation or repudiation of this Quotation shall entitle the Company to recover in addition to any incidental damages caused by Buyer's wrongful non-acceptance, cancellation or repudiation either:

(i) in the case of items under which the risk of loss of has passed to the Buyer at the time of non-acceptance, cancellation or repudiation of order for products which reasonably cannot be resold by the Company to a third party, the price of such goods under this Quotation; or

(ii) in the case of goods not covered by subparagraph (i) or where an action for the price is not otherwise permitted by law, damages equal to the profit (including reasonable overhead) which the Company would have received had Buyer fully performed or at the Company's option fifty (50%) percent of the Quotation price as liquidated damages, plus, in the case of all orders which are special orders. The Company's expense, if any, incurred prior to a receipt by the Company of notice of non-acceptance, repudiation or cancellation by Buyer in connection with providing special services, Engineering expenses, tooling, purchasing special supplies and similar expenses

18. **RETENTION OF TITLE.** Company retains title to all tools, fixtures or other media incidental to Company's performance of this Quotation or developed by the Company in connection herewith.

19. **APPLICABLE LAW.** This Quotation shall be governed by and construed according to the laws of the Province of Ontario, without reference to its conflict of laws.

20. **SCRAP**. Company has the right to scrap without liability, prints submitted for quotations, patterns, models, special tools, and designs used in the manufacture of goods herein quoted unless notice is given to ship these items with the completed goods or within thirty (30) days of completion of print.

21. **ACKNOWLEDGEMENT**. BUYER HEREBY ACKNOWLEDGES READING, UNDERSTANDING AND AGREEING TO ALL OF THE TERMS AND CONDITIONS, ON BOTH SIDES OF THIS QUOTATION.

22. **FORCE MAJEURE**. The Company's obligation under this Quotation, are and shall be subject to war, invasion, insurrection, riot, the order of any civil authority, breakdowns, strikes, lockouts, labour disputes, accidents, fire, delays in transportation or delivery of items or any other cause or causes, whether or not similar to any of the foregoing, beyond the Company's reasonable control, and the Company shall not be liable for any loss or damages of any nature or kind whatsoever whether direct, indirect or consequential suffered by any person as a result of any such causes or any delay resulting therefrom. The Company reserves the right to terminate this Proposal should fulfilment hereof, in whole or in part, be delayed or rendered impossible by any of the foregoing causes. In the event of such termination, the Company's obligations under or arising out of this Quotation, shall cease except with respect to any items shipped hereunder prior to such termination and the Buyer shall remain liable to accept and pay for items so shipped.

23. **HEADINGS**. Paragraph headings are for convenience only and do not form part of this Quotation.