



THE DRUM MOTOR
SPECIALISTS

SALES TERMS AND CONDITIONS

CONDITIONS GOVERNING QUOTATIONS MADE AND/OR ORDER ACCEPTED
BY CONVEYOR TECHNOLOGY & COMPONENTS INC.

AUTHORIZATION BY PURCHASER TO CONVEYOR TECHNOLOGY & COMPONENTS TO FURNISH GOODS CONSTITUTES PURCHASER'S ACCEPTANCE OF AND ASSENT TO ALL TERMS AND CONDITIONS SET FORTH HEREIN. CONFIRMATION OF PURCHASER'S ORDER AND/OR DELIVERY OF CONVEYOR TECHNOLOGY & COMPONENTS GOODS IS EXPRESSLY CONDITIONED UPON PURCHASER'S ASSENT TO AND ACCEPTANCE OF THE TERMS AND CONDITIONS CONTAINED HEREIN. THE TERMS AND CONDITIONS CONTAINED HEREIN SHALL PREVAIL OVER ANY OTHER TERMS AND CONDITIONS THAT MAY BE CONTAINED IN ANY OF THE PURCHASER'S DOCUMENTATION OR COMMUNICATION INCLUDING BUT NOT LIMITED TO ANY PURCHASE ORDER, QUOTATION, ACCEPTANCE, INVOICE, OR RECEIPT DOCUMENTATION ISSUED BY THE PURCHASER ALL OF WHICH ARE HEREBY EXPLICITLY REJECTED AND NON-BINDING UNLESS EXPRESSLY AGREED TO IN WRITING BY CONVEYOR TECHNOLOGY & COMPONENTS. THE TERMS AND CONDITIONS HEREIN SHALL APPLY TO ANY SHIPMENT OF GOODS TO PURCHASER. CONVEYOR TECHNOLOGY & COMPONENTS RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO MODIFY, ALTER OR OTHERWISE UPDATE THESE SALES TERMS AND CONDITIONS AT ANY TIME. CHANGES WILL BE EFFECTIVE ONLY AFTER THE EFFECTIVE DATE OF THE CHANGE AND WILL NOT AFFECT ANY DISPUTE ARISING PRIOR TO THE EFFECTIVE DATE OF THE CHANGE.

- 2 Prices quoted are based upon prevailing costs of labor, materials, services, taxes and exchange, at the time of quotation and therefore quotations are subject to acceptance within 7 days only. All prices are Free Carrier (Inco-Terms 2010) 2 Van der Graaf Court, Brampton, Ontario, L6T 5R6, unless otherwise stated on any CONVEYOR TECHNOLOGY & COMPONENTS documentation. Any balances owing shall be payable net 30 days after delivery, unless otherwise specified, with interest after due date at an annual rate of 24% per annum calculated monthly, not in advance, or if lower, the maximum rate permitted in law. All prices are exclusive of Federal and Provincial sales taxes, or any other taxes, duties, excise or levy which may be applicable.
- 3 All title to property in the purchased goods (the Goods) is reserved by CONVEYOR TECHNOLOGY & COMPONENTS until payment in full of the purchase price. Notwithstanding the foregoing title reservation, the risk of loss or damage to the Goods shall pass to Purchaser upon shipment in accordance with the terms herein set forth. Purchaser hereby grants to CONVEYOR TECHNOLOGY & COMPONENTS a security interest in all Goods sold by CONVEYOR TECHNOLOGY & COMPONENTS to Purchaser, and in any and all additions, accessions and substitutions thereto and proceeds thereof, to secure Purchaser's obligation to make payment of the purchase price of Goods to CONVEYOR TECHNOLOGY & COMPONENTS. Upon any default or breach under this Agreement by Purchaser, including, but not limited to, failure to make timely payment, CONVEYOR TECHNOLOGY & COMPONENTS shall have all remedies and rights of a secured party under the law. Upon CONVEYOR TECHNOLOGY & COMPONENTS's request, Purchaser shall immediately provide CONVEYOR TECHNOLOGY & COMPONENTS with all information necessary to perfect and register its security interest in the Goods under applicable personal property securities legislation.
- 4 Goods supplied by CONVEYOR TECHNOLOGY & COMPONENTS are warranted to be free from defects in material and workmanship for a period of one year from date of shipment and two years for TM100 to TM215 series and apply only for drum motor with horse power (HP) and speed combination from Van der Graaf's catalogue (F600-TM100.TM215 v.3 (09/2015) or later revisions. The liability in respect of this warranty is limited to the replacement or repair of any Goods which show defective materials or workmanship within one year from date of shipment. Replacement shall be made free of charge Free Carrier (Inco-Terms 2010) 2 Van der Graaf Court, Brampton, Ontario, L6T 5R6 upon proof satisfactory to CONVEYOR TECHNOLOGY & COMPONENTS of the defect claimed. Purchaser must notify CONVEYOR TECHNOLOGY & COMPONENTS immediately upon discovery of any defect and in no event not later than 15 days from the discovery of such defect. If requested by CONVEYOR TECHNOLOGY & COMPONENTS, the defective Goods shall be returned to VAN DER GRAAF at 2 Van der Graaf Court, Brampton, Ontario or Conveyor Technology 29 Collins Industrial Place, Bld 2G, North Little Rock, AR 72113. All costs associated with disassembly, packaging and shipment of the defective Goods to CONVEYOR TECHNOLOGY & COMPONENTS or Van der Graaf shall be borne by the Purchaser. This warranty shall not apply to any defects resulting from misuse, negligence or accident.
- 5 CONVEYOR TECHNOLOGY & COMPONENTS' liability in respect of defective Goods under this Agreement shall be limited in all cases to repair or replacement of the defective Goods as herein set forth. CONVEYOR TECHNOLOGY & COMPONENTS SHALL NOT UNDER ANY CIRCUMSTANCES BE LIABLE FOR LOSS OR DAMAGES TO THE PURCHASER ARISING FROM DEFECTIVE GOODS WHETHER FOUNDED IN CONTRACT OR TORT AND WHETHER ARISING FROM LOSS OF USE, LOSS OF PROFITS, LOSS OF PRODUCTION OR FOR ANY CONSEQUENTIAL DAMAGES OF WHATSOEVER KIND OR NATURE.
- 6 No person other than authorized officers of CONVEYOR TECHNOLOGY & COMPONENTS are authorized to create for CONVEYOR TECHNOLOGY & COMPONENTS any liability in connection with the sale of CONVEYOR TECHNOLOGY & COMPONENTS Goods.
- 7 Delivery dates are approximate only and CONVEYOR TECHNOLOGY & COMPONENTS shall not be liable for damages for delay in shipment howsoever caused. In addition CONVEYOR TECHNOLOGY & COMPONENTS shall not be liable for failure to deliver.
- 8 THE TERMS SET FORTH HEREIN REPRESENT THE ENTIRE UNDERSTANDING BETWEEN THE PARTIES CONCERNING THE GOODS SOLD UNDER THIS AGREEMENT AND THERE ARE NO AGREEMENTS, REPRESENTATIONS, WARRANTIES, TERMS OR CONDITIONS, EXPRESSED OR IMPLIED, STATUTORY OR OTHERWISE, EXCEPT AS EXPRESSLY SET OUT HEREIN. THIS AGREEMENT SUPERCEDES AND INVALIDATES ALL PRIOR AGREEMENTS, UNDERSTANDINGS, NEGOTIATIONS, REPRESENTATIONS AND WARRANTIES, WHETHER ORAL OR WRITTEN, WITH RESPECT THERETO. ANY ADDITIONAL OR DIFFERENT TERMS INCLUDED IN ANY PURCHASE ORDERS, ACKNOWLEDGEMENTS, VERBAL COMMUNICATIONS OR WRITTEN DOCUMENTS SHALL NOT BE BINDING AND SHALL NOT AFFECT THE SHIPMENT OR ACCEPTANCE OF ANY ORDER. WITHOUT RESTRICTING THE GENERALITY OF THE FOREGOING, THERE IS NO EXPRESS OR IMPLIED WARRANTY BY CONVEYOR TECHNOLOGY & COMPONENTS THAT THE GOODS MEET ANY PARTICULAR STANDARD OR SPECIFICATION, THAT THEY ARE OF MERCHANTABLE QUALITY OR THAT THEY ARE FIT FOR A PARTICULAR PURPOSE AND NO SALES PERSON, AGENT OR DISTRIBUTOR HAS AUTHORITY TO ADD TO OR OTHERWISE MODIFY THE WARRANTY GIVEN UNDER THE TERMS OF THIS AGREEMENT. THESE WARRANTIES ARE HEREBY EXCLUDED TO THE FULLEST EXTENT PERMISSIBLE BY LAW. PROVIDED ALWAYS THAT CONVEYOR TECHNOLOGY & COMPONENTS DOES NOT EXCLUDE OR LIMIT ITS LIABILITY FOR DEATH OR PERSONAL INJURY RESULTING FROM ITS OWN GROSS NEGLIGENCE NOR LIABILITY FOR BREACH OF ANY EXPRESS TERM BY STATUTE TO THE EXTENT THAT SUCH LIABILITY CANNOT BY LAW BE LIMITED OR EXCLUDED. CONVEYOR TECHNOLOGY & COMPONENTS SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT (OTHER THAN STATED HEREIN), INDIRECT, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES INCURRED BY PURCHASER OR OTHERS, DIRECTLY OR INDIRECTLY ARISING FROM OR RELATING TO THE GOODS. EXCEPT AS REQUIRED BY LAW, PURCHASER AGREES THAT ITS SOLE REMEDY AGAINST CONVEYOR TECHNOLOGY & COMPONENTS FOR CLAIMS, LOSSES OR DAMAGES OF ANY KIND WHATSOEVER, ARISING FROM OR RELATING TO THE GOODS IS THE REPAIR OR REPLACEMENT OF THE GOODS AT CONVEYOR TECHNOLOGY & COMPONENTS'S OPTION, AND IN NO EVENT WILL CONVEYOR TECHNOLOGY & COMPONENTS' LIABILITY BE GREATER THAN THE NET INVOICED VALUE OF THE GOODS ORDERED AND FULLY PAID FOR. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OR LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES IN SUCH JURISDICTIONS, CONVEYOR TECHNOLOGY & COMPONENTS'S LIABILITY IS LIMITED TO THE GREATEST EXTENT PERMITTED BY LAW, OR NET INVOICED VALUE OF THE GOODS ORDERED, WHICHEVER IS LESS. CONVEYOR TECHNOLOGY & COMPONENTS HAS ADVISED PURCHASER THAT IT IS COMPLETELY UNWILLING TO ENTER INTO THIS AGREEMENT AND SUPPLY GOODS TO PURCHASER WITHOUT THIS SECTION BEING INCLUDED AS AN ESSENTIAL TERM OF THIS AGREEMENT. CONVEYOR TECHNOLOGY & COMPONENTS HAS ENTERED INTO THIS AGREEMENT EXPRESSLY IN CONSIDERATION OF PURCHASER AGREEING TO THIS SECTION.
- 9 The terms of this Agreement may not be amended, waived or modified except by agreement in writing signed by Conveyor Technology & Components and the Purchaser. Any modification of or addition to the terms of this Agreement must first be expressly approved in writing by a duly authorized senior officer of Conveyor Technology & Components. The rights and obligations under this Agreement are not transferable.
- 10 The terms of this Agreement and all terms of Sales of Goods hereunder shall be governed by the laws of the State of Arkansas and the laws of United States applicable therein, excluding any conflict of laws rules that may apply therein, and shall be treated in all respects an Arkansas contract. The United Nations Convention on Contracts for the International Sale of Goods and the *International Sale of Goods Act* (Ontario) (if applicable) shall not apply to this Agreement. The parties agree that all claims arising in respect of any sale of Goods by Conveyor Technology & Components to the Purchaser whether in contract, tort or otherwise, shall be submitted to the courts of the State of Arkansas and the parties hereby irrevocably attom to the jurisdiction of the courts of the State of Arkansas. Each of the terms herein are separate and distinct covenants, severable one from the other. If any covenant or provision herein is determined to be void or unenforceable in whole or in part it shall not affect or impair the validity of any of the other covenants. The parties to this Agreement have specifically required that this Agreement and all related documentation be drafted in the English language. Les parties aux presentes ont expressement exige que cette convention, ainsi que toute documentation y reliee soient redigees en la