

Terms and Conditions of Sale &/or Repair

Any sale of products or services by Standard Machine is governed by these Terms and Conditions and shall supersede any inconsistent or additional terms of the buyers purchase order or any other document. These Terms and Conditions constitute the final, complete and exclusive agreement between Standard Machine and the buyer. Standard Machine hereby objects to any inconsistent or additional terms.

1. The quoted price and delivery is contingent upon acceptance of the quotation within 90 days of the issue date unless otherwise specified.
2. The price is F.O.B. seller's Plant. The price does not include any applicable sales, duties, use, excise or similar taxes, now or hereinafter in effect. The buyer assumes full responsibility for all such duties and taxes. All invoices are payable within 30 days of the invoice date. A 1.5% per month service charge shall be charged on all invoices not paid within 30 days.
3. Performance Guarantees including Performance Bonds and Labor and Material Payment Bonds will not be provided unless requested prior to quotation. The cost of such guarantees will be quoted separately.
4. All equipment will be shipped F.O.B. seller's plant. The seller will ship "Freight Collect" unless otherwise specified. The seller reserves the right to prepay the freight and invoice the buyer for costs. If the buyer does not select a carrier, the seller may select the method of transportation. Time is not of the essence of this agreement, and all shipping dates are estimates. The seller is not responsible for any delays whatsoever. The buyer shall inspect the items shipped for damage in transit and "short count". The buyer shall have the carrier's agent acknowledge such defects on the Bill of Lading and present such acknowledgement to the carrier along with a formal complaint for damages. Short shipments must be submitted in writing within 2 days of receipt of material. Buyer may not defer delivery beyond the projected shipment date without the written consent of seller. Buyer requests to defer delivery of products completed or in process are subject to payment of the value of work performed, additional work required, storage charges and any taxes levied on seller due to possession. Buyer requests to defer delivery of products not yet in process are further subject to price increases for labor, material, component parts and overhead.
5. No order is subject to cancellation unless requested in writing by either party and accepted in writing by the other. In the event of cancellation by the buyer, the buyer shall pay to Standard Machine the greater of (a) the reasonable costs and other expenses incurred by Standard Machine prior to its receipt of the request for cancellation (including but not limited to allocable overhead and all commitments to its suppliers, subcontractors and others), together with all reasonable costs and other expenses incurred by Standard Machine, plus a reasonable profit on the foregoing or (b) 10% of the purchase price. Such payment shall be made within thirty days after Standard Machine's written notification to the buyer of the amount thereof.
6. Provided buyer has made timely payment and the parts are stored properly and free from damage or weather, seller warrants only that products, parts and components of its manufacture or design and its services shall be of merchantable quality at the time of shipment and free from defects in material, workmanship and fabrication for the following periods: (i) **FIVE YEARS** from the date of shipment for new enclosed drives, (ii) **THREE YEARS** from the date of shipment on overhauled drives and OEM parts, and (iii) **ONE YEAR** from the date of the applicable service for technical services. The applicable period(s) may be identified by line item on the front of this document. Where it is not so identified, seller, upon request, shall provide written notice stating which period(s) apply. With respect to equipment furnished by buyer for repair or refurbishment, this warranty extends solely to labor and new parts or components manufactured by seller or to its specifications.

Wear parts are warranted for quality of materials and workmanship and are not subject to a time period warranty. If the buyer, within this period, notifies Standard Machine in writing of any such claimed defects in any equipment, and if after appropriate testing and inspection by Standard Machine, the equipment is found not to be in conformity with this warranty, Standard Machine will at its option and expense either repair the same, or provide a replacement therefor, F.O.B. Shipping point. Any warranty replacement or repair shall apply only to the original warranty period and conveys no extension to the original warranty period. Extended warranty terms must be negotiated and stated in writing on the Quotation.

The foregoing warranty does not cover, and Standard Machine makes no warranty with respect to:

- (a) Failures not reported in writing within the warranty period above specified;
- (b) Failures or damage due to negligence, other than that of Standard Machine, accident, abuse, improper installation, improper operation, decomposition by chemical action, or wear caused by the presence of abrasive materials or lack of oil.
- (c) Equipment which has been in any way repaired or altered except as by an authorized agent of Standard Machine;
- (d) Equipment damaged in shipment or otherwise without the fault of Standard Machine;
- (e) Defects in articles purchased by Standard Machine and resold by it without alteration.
- (f) Defects in supplied material that show no visible signs of potential failure,
- (g) Vibrations caused by external forces or structures in the transmission system. Vibration allowances are in accordance with AGMA 6011-H98 standards.
- (h) Standard Machine makes no further warranty, either express or implied or by trade usage in connection with the design, sale or use of any of its equipment and Standard Machine shall in no event be liable for loss, damage, injury, or expense resulting, directly or indirectly, from the failure of operation, faulty operation, or breakdown of the equipment supplied hereunder or of any part, nor for any amount in excess of the cost of the repair to the defective part or of a replacement part.

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7. In order to secure any obligations due to Standard Machine from the buyer, the buyer grants and confirms in Standard Machine a security interest in: a) the equipment covered by this contract, and b) in all property and funds of the buyer now and hereafter in Standard Machine's possession, whether or not arising out of this contract, and in all additions, accessions and proceeds of such equipment and/or property. The buyer assumes all legal expenses if they occur.
8. All initial orders will be a 50% DWN 50% CMPL for the first three orders, further terms will be evaluated after the credit application has been approved.
9. Standard Machine does not supply detailed or shop working drawings of its equipment. General assembly, parts list and only those general drawings necessary for installation and reordering will be furnished.
10. Unless otherwise agreed, all patterns, tooling, jigs, designs, drawings and fixtures, and patents are the property of Standard Machine.
11. The buyer acknowledges receipt of Standard Machine's instruction manuals and warnings, and accepts complete responsibility for ensuring the same, and all future updates are distributed to and utilized by the equipment operator.
12. No credit will be allowed for returns unless our authorization in writing for such returns has been obtained beforehand.
13. Changes in buyer's specifications as requested by the buyer are subject to approval of Standard Machine in writing. In the event of such change, Standard Machine shall be entitled to revise its price and delivery schedules to reflect such change(s). Standard Machine reserves the right at its own expense to make changes in details of design, construction or arrangement of the equipment shown or described in its own specifications.
14. The buyer, by placing a Purchase Order based on a valid Quotation, agrees to accept the terms and conditions and the limits of liability as expressed herein to the exclusion of any and all provisions as to liability on the buyer's own invoices, purchase orders, or other documents. If the buyer desires his own provisions as to liability to remain in force and effect, this must be agreed to in writing, signed by an officer of the seller. In such event, a different charge for our services, reflecting these changes, shall be determined by the seller and buyer. Any terms and conditions other than those stated herein must be negotiated between buyer and seller and stated in writing on the quotation or in a separate document signed by an officer of the seller. Seller's liability to buyer on any claim or cause of action of any kind in contract, tort or otherwise, for any losses, costs, damages, expense, statutory violation, fine or penalty, loss of use, non-performance, exercise of cover or any breach or fault by seller whatsoever, shall be limited to the purchase price paid by buyer for the portion of the products or services allocable to the part, component or work out of which the claim arose. Under no circumstances shall seller be liable for any special, incidental or consequential damages, including without limitation, the cost of removal or reinstallation of seller's products.
15. With respect to heat treating, no claims for shortage in weight or count will be entertained unless presented within two working days after receipt of materials by the buyer. No claims will be allowed for shrinkage, expansion, deformity, or rupture of material in treating or straightening, except by prior written agreement, nor in any case for rupture caused by or occurring during subsequent grinding. Whenever we are given material with detailed instruction as to treatment, our responsibility shall end with the carrying out of those instructions. Failure by a buyer to indicate plainly and correctly the kind of material (i.e. proper alloy designation) to be treated shall cause an extra charge to be made to cover any additional expense incurred as a result thereof, but shall not change the limitation of liability stated above. Our liability to the buyer shall cease once any further processing; assembling or any other work has been undertaken.
16. The buyer specifically agrees that the buyer, on its own behalf or on behalf of any other company, will not hire, solicit, attempt to solicit, or cause to be solicited, any employee of Standard Machine for employment, without the written consent of Standard Machine during the time of any active contracts between the buyer and Standard Machine and for a period of one (1) year after conclusion of all contracts.

These Terms & Conditions Are Subject to Change Without Notice

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