

Metal Alloy Fabrication Ltd. General terms of Sale

1. General Provisions

All quotations for and/or sales of Goods and/or services (hereinafter called the "Goods") or for work (hereinafter called "Site-Work") carried out by Metal Alloy Fabrication Ltd. (hereinafter called "MAF"), at the request of the Customer, at a site other than MAF's facilities are governed by these General Terms of Sale. No contrary terms or conditions shown on the Customer's purchase order or its correspondence are binding on MAF unless specifically accepted in writing by an officer of MAF.

2. Quotations

Quotations are valid for 30 days from the date of issue. Typographical and clerical errors in quotations are subject to correction. Quotations are subject to change, at the discretion of MAF, to reflect any changes in costs, materials, supplies, taxes, exchange rates, etc. that are beyond the control of MAF which occur during the quotation period. **Quotations are based on the information (drawings, specifications, instructions, etc.) provided by the Customer. If this information changes at the time of the order MAF reserves the right to re-quote the work to reflect any revision in price caused by the changes.**

Where CAD drawing (DXF, DWG, etc.) files are supplied by the Customer and they are used for quotation and/or manufacturing MAF will not be held responsible for the accuracy of these files. Where possible, MAF will check boundary dimensions to determine that the drawings are to scale.

3. Orders

All orders received from Customers are subject to acceptance by MAF. MAF will confirm the Customer's order by the issuance of a Sales Order Acknowledgement to the Customer. Final acceptance of the order by MAF is subject to the receipt by MAF, by Fax or e-mail, of the Customer's confirmation of receipt of the Sales Order Acknowledgement and confirmation that the Customer has read and accepted these terms and conditions. Non written confirmation of Sales Order Acknowledgement and these terms and conditions will not be accepted unless prior arrangements have been made with the Customer.

Orders must be accompanied by all drawings, instructions, specifications and electronic files necessary for the successful completion of the Goods or Site-Work.

4. Credit and Payment Terms

Payment terms are net 30 days from receipt by the Customer of MAF's advice of Goods ready to ship or Site-Work complete (see shipping). Credit is offered to approved credit applicants only. First time Customers and other Customers without credit approval will require COD and/or deposit arrangements confirmed by MAF before an order will be accepted. Overdue accounts will be charged at a rate of 1.5% per month or 18% per annum.

Other payment options such as progress payments, partial deliveries, etc. will be negotiated prior to the acceptance of the order and such additional terms and conditions when negotiated will be considered as addenda to these terms and conditions and paragraph 3 will apply as for any other order.

5. Change Orders

If during the work the Customer changes any of the drawings, instructions, specifications and electronic files such that the costs or delivery are altered to an extent that MAF considers will affect the overall costs of the Goods or Site-Work, MAF will issue a quotation for the changes as an extra to the existing Purchase Order. The Customer may, at his discretion either; add the extra costs to the existing Purchase Order or, issue a separate Purchase Order for the changes. Depending on the Customers choice MAF will issue either a modified or new sales order acknowledgement.

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6. Title

Title, ownership and risk of loss or damage to Goods or Site Work passes to the Customer immediately once the Customer or his agent has received MAF's advice that the Goods ready to ship or that the Site-Work is completed. Customer will be invoiced at this point. All sales of Goods are FOB MAF's Dock unless other terms are agreed prior to MAF's acceptance of the order. For large orders and where previously agreed by the Customer MAF will provide advice of Goods ready to ship to the Customer for partial shipments and invoice the partial quantity as per the sales order price.

7. Delivery

While every effort will be made to meet the promised delivery date MAF shall not be liable for delays in delivery or failure to manufacture or deliver due to; acts of the Customer, material shortages, lack of information or other causes beyond its reasonable control.

8. Shipping

With the exception of Site-Work all shipments are FOB MAF's Dock. It is the Customer's responsibility to arrange for pick-up of Goods. MAF will provide advice of Goods ready to ship. All Goods are shipped at the Customer's risk, notwithstanding MAF may, as an agent for the Customer, negotiate and sign on his behalf, a transport contract.

9. Receipt and Inspection

The finished Goods shall be deemed to be delivered when the Customer or the Customer's agent (courier, transportation company, etc.) has signed the packing slip in receipt of the Goods and the Goods have been loaded onto the Customer's or the Customer's agent's transport.

The Customer shall report any errors; missing parts or other anomalies to MAF within 7 working days following the date of the signing of the packing slip (See warranty claims procedure). Resolution of claims by the Customer, after this period, will be at the discretion of MAF. MAF takes no responsibility for any damage or loss caused by the Customer or his agent during transportation of the Goods. The Customer may inspect the Goods at MAF prior to loading on the carrier should he so wish.

Site-work shall be considered complete following final inspection and acceptance by the Customer and/or the owner. MAF will inform the Customer of Site Work complete and the Customer and/or the owner will inspect the work within 2 working days of the notice by MAF that the work is complete. If the final inspection is not carried out within two working days of the customer being informed by MAF that the job is complete MAF will assume that the job is acceptable and will invoice the customer.

The Customer will, where appropriate, furnish MAF with a list of discrepancies or non-conformance and will meet with MAF to decide the method(s) of resolving these discrepancies or non-conformance. See Warranty.

10. Cancellation of Orders

If the Customer cancels an order and no work has been performed by MAF there will be a cancellation charge of 10% of the sale price of the order to cover handling and administration costs. Cancellation charges for orders that are in process will be equal to the actual cost of the work completed to the time of cancellation plus a surcharge of 25% to cover additional administration, handling and lost revenue.

11. Customer Material

MAF will accept Customer supplied material for a job only if; the supply of the material by the Customer is approved by MAF and MAF has, as a demonstration of this approval, issued the Customer a "no cost" Purchase Order for the material.

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The material shall be accompanied by a packing slip and the material shall be protected in such a way as to maintain the original properties and finish of the material. MAF will inspect this material on arrival and will reject any material that does not meet the original specifications provided by the Customer. Rejected material will be returned to the Customer at the Customer's expense.

12. Warranty

Customer acknowledges that MAF has not made and does not make any representations or warranties, whether express, implied, statutory or otherwise, except that:

- * The Goods and Site-Work supplied shall conform to the requirements of the specifications and descriptions included with the Customer's order, subject to tolerances and variations consistent with usual trade practices.

MAF shall not be liable in contract, tort or otherwise for any loss, damages, costs, claims, expenses or repairs resulting from any defect, failure to conform to specifications or breach of this agreement whether any such loss, damage, cost, claim, expense or repair is direct, indirect or consequential. MAF's liability shall be limited in all circumstances to the invoice price paid by Customer for the Goods or Site-Work purchased. The foregoing limitation of liability is a condition of sale of the Goods and/or Site-Work at the price or prices quoted and shall apply notwithstanding any defect in or failure of, including the total failure of, any Goods or Site-Work.

Should any of the Goods or Site-Work received by Customer not conform, as determined by Customer's inspection, to the specifications, drawings, instructions and descriptions, subject to MAF's regular practice concerning over and under shipment and normal industry tolerances, variations and limitations of dimension, weight, shape and composition, Customer acknowledges that MAF's only liability will be to replace or repair such Goods or to refund the purchase price, at the option of Customer, provided the terms of payment have been met and the Customer has notified MAF in writing within 7 working days of receipt of the Goods or Site-Work. Test samples and Goods which the Customer has cut, processed or altered in any way may not be returned.

Lack of compliance of Site-Work because of rejection by inspectors from Federal, Provincial or Local governments, owners, contractors or other third party agencies will not be subject to MAF warranty unless the Site-Work is rejected because the materials or workmanship supplied by MAF do not satisfy the specifications, drawings and instructions supplied with the Purchase Order. If the rejection of the work is due to the Purchaser's specifications, drawings or instructions not being in compliance with the applicable Federal, Provincial and Local codes, regulations and laws or the requirements of contractors, owners and other third party agencies MAF reserves the right to quote on the additional labour and materials required to bring the work into compliance.

Customer acknowledges that while it may consult with MAF's staff for assistance, recommendations or instructions in selecting the Goods, MAF does not warrant the suitability or merchantability of the Goods or the fitness of any of the Goods for any particular use, purpose or application.

13. Warranty Claims Procedure

Within 7 days of delivery (Goods and Site-Work) the Customer must obtain a Return Material Authorization Number (RMA#) from MAF Quality Control by providing a list of parts to be returned or, in the case of site work, deficiencies along with the original MAF sales order copy or, Customer purchase order copy or invoice number prior to returning the Goods for repair or making any changes to Site-Work. Any work carried out by the Customer or his agents to correct non conformance in Goods or Site-Work deficiencies without MAF's approval will void MAF's warranty on the remainder of the Site-Work or Goods on that particular order.

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Goods must be properly packed and delivered to MAF at the Customer's expense and should include the Customer's non conformance report or other written documentation of the non-conformance or quantity discrepancy. Shipments without an RMA#, non conformance report or equivalent and a packing slip may not be accepted.

MAF will repair or replace any items that do not meet the original specifications. Where the Goods are found to be substandard MAF will refund the Customers delivery costs on presentation of the invoice and the return Shipments of repaired or replaced Goods will be at MAF's expense.

14. Site-Work

Where the terms and conditions of the Customer's Purchase Order require that MAF provide staff, equipment and materials to work on the Customer's site and the Site-Work involves either new construction or refurbishment of existing structure it is the Customer's responsibility to ensure that the specifications, drawings and instructions supplied to MAF are in compliance with all Federal, Provincial and Local codes, regulations and laws that are applicable to the work to be performed by MAF.

It is the Customer's responsibility to ensure that prior to and during the time MAF's employees are working on a site, controlled by the Customer or the Customer's client, that all necessary Health and Safety and Security Training and documentation (passes, certificates, etc.) required to meet the specific Health and Safety and Security requirements of the work and work area are provided by the Customer.

If there is a requirement for specific personal protective equipment or other Health and Safety or Security equipment or supplies to be supplied by MAF the Customer must include these requirements in the specifications and instructions at the time of the request for quotation and/or the MAF Sales Order Acknowledgement or these items will be extras to the Site-Work and will be charged accordingly.

15. Communications

Communications between MAF and the Customer shall be in writing (e-mail, fax, etc.) where that communication augments or decreases the amount of work or changes the specifications, drawings and instruction associated with the Customer's Purchase Order. MAF reserves the right to re-quote and/or issue a change order for approval by the Customer.

16. Documentation, Data and files.

MAF reserves all rights of ownership and any other user rights in all drawings, sketches, calculations, processes, electronic files and other documents and data that MAF has acquired, made or caused to be made in support of the manufacturing process. Under no circumstance will MAF release any documents, data and/or files. During the work and on completion of the order they and any other information provided to the Customer by MAF to support the work are to be kept strictly confidential and shall upon our written request be destroyed or returned to MAF, including any copies made thereof.

If at any time these MAF documents and/or data are released to the Customer to assist in the quotation and/or purchase order and/or change order process they shall not be made available to a third party without written consent from MAF. They are to be used solely by MAF or its direct subcontractors for the manufacture of the Goods or Site Work.

17. Entire Agreement

A Sales Order Acknowledgement and these terms and conditions constitute the entire agreement between the Customer and MAF with respect to the subject matter hereof and supersede and replace all prior agreements understandings and representations, whether written or oral.