



STANDARD TERMS AND CONDITIONS OF SALE

These are the terms and conditions of sale between DAVTEC Marine Inc. (the Seller) and the buyer of the Products and/or Install (the Buyer).

1. **Acceptance.** All orders are subject to review and acceptance by the Seller. By placing an order with the Seller, the Buyer accepts the terms and conditions of sale herein, changes to these terms may not be made without the written agreement of the Seller. If this document is submitted to the Buyer as an offer, such offer shall remain open for thirty (30) days.
2. **Prices.** All prices are EX. Works, the Seller's or third party supplier's plant and unless otherwise specified, exclude all local, Provincial, State, or Federal sales taxes unless otherwise specified. Proposals and quotations of prices apply only in the quantity and on the shipping schedule, named in the proposal or quotation, and unless the Seller expressly agrees to the contrary in writing, such proposal and quotations are subject to change without notice. Prices are subject to change in the event of increases in customs duty, sales, excise, or other similar taxes, or increases in freight, insurance, or variation in foreign currency exchange rates, or in the costs of manufacture. The prices in this quotation are based on a current market price. If the price of materials purchased by the Seller from third party vendors increases during the stated acceptance period, the prices herein shall be adjusted to reflect this increase in the material prices and shall be passed to the Buyer without allowance for overhead or profit. Unless the Seller expressly agrees to the contrary in writing, all invoices become due and payable thirty days following the date of the Seller's invoice. Any portion of the price not paid in accordance with these terms will bear interest from the due date at a rate of two percent (2.0%) per month until paid. Prices exclude all local, Provincial, State or Federal sales taxes unless otherwise specified. Prices are firm for 30 days from quotation date outlined. Payment net 30 days O.A.C., unless otherwise specified by the Seller. Interest shall be charged at 2.0% per month on overdue balances.
3. **Holdbacks.** Unless specifically detailed in a contract signed by both the Buyer and the Seller, no holdbacks are permitted on any portion of the outstanding invoices.
4. **Delivery.** Any dates or schedules which may be specified for delivery of the Goods will be estimated and the Seller will incur no liability, either direct or indirect, as a result of any delays in meeting such dates or schedules. If the Buyer shall fail to make payments in accordance with the terms of payment, the Seller may defer further shipment until such payments are made or terminate this Agreement. Shipments and deliveries shall at all times be subject to the approval of the Seller's credit department. The Seller shall not be responsible for any delays in delivery or failures in manufacture caused by contingencies beyond the Sellers' reasonable control, including, but not limited to, strikes, fire, flood, embargo, war, governmental regulations, or shortages of raw materials, fuels, or transportation. Acceptance of order and delivery is subject to availability of material at time of order.
5. **Inspection and Returns.** The Buyer shall carefully inspect the condition of the Product on receipt and shall notify the Seller in writing before the product has been covered up or put out of view, of any deficiencies, shortages, or defects, and provide the Seller an opportunity to inspect these deficiencies. Any error in workmanship, defects in material, or nonconformities between merchandise ordered and that delivered must be reported to us within 48 hours. Goods or materials shall not be returned to the Seller without the written consent of the Seller. A minimum of a 50% restocking charge will be levied on all custom fabricated goods and subject to the Seller's sole discretion. Upon written consent of the Seller, such goods may be returned to the Seller's designated location, freight prepaid, and by a carrier designated by the Seller.



6. Quality and Standards. Unless otherwise expressly agreed upon in writing, the products sold hereunder shall be subject to the Seller's standard specifications, manufacturing variations, and tolerances, as outlined in the Seller's third party supplier's QA Standards and as available on request.
7. Warranties. The Seller does not warrant the fitness of goods for any particular purpose, but warrants and agrees to manufacture or supply goods in accordance with the agreed specifications with reasonable skill and without defective workmanship. Any extended warranty required by the Buyer must be negotiated at the time of order. Requests for extended warranties after the delivery of the product will not be entertained. The Seller reserves the right to adjust prices to accommodate extended warranty costs. Unless specifically agreed to in writing by the Seller, the Seller warrants the products sold to be in accordance with the Seller's published specifications at the time of order, and that it will repair, or replace, at its option, such products that fail to conform with its published specifications, for a period of twelve (12) months following shipment. The Seller limits warranty on materials purchased by the Seller from third party vendors to the standard warranty offered by such vendors. The Seller shall in no event be liable for the cost of field labour or for any costs incurred by the Buyer in returning the goods to the Seller. The Seller shall in no event be liable to the Buyer or any third party for special, incidental, or consequential damages for, resulting from, or in connection with, any breach of warranty or any loss resulting from the use of the Product by the Buyer. Should the Product prove so defective that repair or replacement is not practical; the Buyer's sole and exclusive remedy shall be the refund of the purchase price upon its return of the Product to the Seller. Our legal liability is limited to the cost of the material supplied, and freight, if applicable.
8. Indemnity. The Buyer agrees to indemnify, save harmless and defend the Seller and the Seller's directors, officers, and employees from and against all claims by any third party (being an individual, partnership, joint venture, firm, trust, body corporate, government, authority of any other legal entity other than the Seller or the Buyer) in respect of or in any way relating to the Products, Services or the installation of the Products including, without limitation, any claims relating to any breach of contract, negligence or other tort or breach of statutory or other duty by the Seller. The Buyer agrees that the Seller's directors, officers, and employees are intended their party beneficiaries of this clause.
9. Design. It is the Buyer's responsibility to ensure that the design into which the Product will be used is properly engineered and that the Product properties are adequate for the installation. Should the Product be used in an application where property or public safety could be endangered the Buyer warrants that the design of the Product has been engineered by a competent engineer with experience in the design of the Product. Unless specifically agreed to in writing, the Seller shall not be responsible for the results of any technical advice provided free of charge in connection with the design, installation, or use of the Product. The Seller makes no warranty against patent infringement.
10. Change Order & Cancellation Policy. Buyer has the right at any time to require changes to the specifications in the purchase order. For standard stock items, a re-stocking fee of 20% of the purchase order will apply if cancelled before shipment. If cancelled after shipment, transportation costs will be the responsibility of the buyer. For engineered products, all changes must be made prior to final approvals of shop drawings and submittals. Changes agreed upon shall be confirmed by Buyer by the issuance of a Change Order. The change covered by a Change Order shall thereafter be confirmed by Seller by signing and returning Buyer's copy of the Change Order. Seller shall as soon as possible, and at the latest within ten (10) working days of receipt of a request to make a change, inform Buyer in writing of the effects the change will have on the price, time of delivery, and technical specification. If Seller fails to provide such information within this time limit, it shall lose its right to receive an adjustment of price or/and delivery time resulting from the change. Change orders will be implemented immediately after both parties are in agreement of said changes and all additional costs as outlined and agreed to. Buyer has the right at any time to cancel the purchase order. Buyer shall pay the unpaid balance due to Seller for goods already satisfactorily delivered. Seller shall be compensated for



documented accrued necessary close out costs related to goods not yet delivered including labour and materials costs, transportation and 20% of accrued costs to date of cancellation provided that Seller makes his best effort to minimize these.

11. Disclaimer. The information presented herein, while not guaranteed, is to the best of our knowledge true and accurate. While every effort has been made to provide accurate and reliable information, it is up to the user of this product to verify all information, including designs it might be based upon, with an independent source. Application of this data must be made on the basis of responsible professional judgment. Except when agreed to in working conditions of use, no warranty expressed or implied is made regarding the performance or fitness of use of any product, since the manner of use and handling is beyond our control.