

CAMBRIDGE HEAT TREATING INC.
(hereinafter, "CHT")

TERMS AND CONDITIONS

ALL PRODUCTS, GOODS, SERVICES AND/OR ADVICE SUPPLIED OR PERFORMED BY CHT ARE SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

I. WARRANTY

- (a) CHT warrants to the Customer that the heat treatment and other incidental work to be performed by CHT will be conducted in good and workmanlike manner in accordance with specifications supplied by the Customer.

II. LIMITATIONS ON CHT'S LIABILITY

- (a) CHT's total cumulative liability to the Customer for any claim(s) with regard to heat treatment and/or other incidental work performed by CHT, whether arising from breach of the warranty as herein provided, contract or tort, shall not exceed twice the amount of CHT's charges for the work done on the material(s) in question. CHT shall be entitled at all times to set-off any amount owing at any time from CHT to the Customer or any of its affiliates against any amount payable at any time by the Customer in connection with products, goods, services and/or advice supplied or performed by CHT to or for the Customer.
- (b) CHT, its servants, agents, officers, directors and shareholders, shall not be liable for any personal injury, loss or damage of any kind whatsoever, arising in connection with products, goods, services and/or advice supplied or performed by CHT to or for the Customer (including, without limitation, any damage to the Customer's property caused during the treatment process or at any time such property is in the possession of CHT) and including consequential, economic, incidental, indirect, special, punitive or exemplary damages of any kind, whether suffered by the Customer or another person and whether in contract or tort (including fundamental breach or negligence). Without limiting the generality of the foregoing:
 - i) CHT shall in no event be liable for shrinkage, expansion, deformity or rupture of material in treating or straightening nor for rupture caused by or occurring during subsequent grinding.
 - ii) CHT shall in no event be liable if the Customer provides detailed instructions as to the treatment of material and those instructions are followed by CHT.
 - iii) CHT shall in no event be liable for loss, damage or delay caused by any Act of God, the Queen's or public enemies, war, riots, strikes, lock-outs, unavailability of materials, epidemic, explosion, blackout, fire, flood, the authority of law, or by quarantine or any other cause beyond the reasonable control of CHT.

- iv) CHT makes no express or implied warranties, and specifically disclaims any implied warranty of fitness for a particular purposes or merchantability, as to the performance or capabilities of the material as treated by CHT and/or, except as specifically provided herein, as to the treatment itself.

III. CUSTOMERS OBLIGATIONS AND INDEMNITY

- (a) The Customer, by contracting for products, goods, services and/or advice to be supplied or performed by CHT to or for the Customer, agrees to accept the limits of liability as expressed herein to the exclusion of any and all provisions as to CHT's liability as may be set forth in the Customer's own invoices, purchase orders or other documents, or in any oral or written representations or agreements which have not been duly signed by an officer of CHT. If the Customer desires that its own provisions as to CHT's liability apply to products, goods, services and/or advice to be supplied or performed by CHT, CHT must specifically agree thereto in writing duly signed by an officer of CHT. In such event, a higher charge for products, goods, services and/or advice to be supplied or performed by CHT, reflecting the higher risk to CHT, shall be set forth in a written agreement with the Customer duly signed by an officer of CHT.
- (b) Failure by the Customer to indicate plainly and correctly the kind of material (i.e.: the proper alloy designation) to be treated shall cause an extra charge to be made to compensate for any additional express incurred by CHT's services.
- (c) The Customer agrees to inspect the treated material immediately upon its receipt. All claims against CHT for a breach of the limited warranty as herein provided must be submitted to CHT prior to any further processing, assembling or any other work that's undertaken with the treated material. No claim for shortage in weight or count shall be made by the Customer unless presented to CHT within FIVE (5) working days after receipt of materials by Customer. The material(s) in question must first be returned (at the Customer's cost) to CHT's facility for inspection and verification by CHT, or the claim of the Customer will not be honoured.
- (d) The Customer covenants and agrees to indemnify and save CHT, its servants, agents, officers, directors and shareholders, harmless from all claims, actions, losses, expenses, liabilities, judgements, awards, costs or damages of every nature and kind whatsoever (including legal fees and expenses), however caused or arising, and without limiting the generality of the foregoing of this clause, whether caused or arising as a result of the negligence of CHT or otherwise, made against CHT or suffered by the Customer, its servants, agents, officers, directors and shareholders, or by any other person, in connection with the products, goods, services and/or advice supplied or performed by CHT to or for the Customer in excess of that which CHT has agreed to assume herein. The Customer further agrees to indemnify and save harmless CHT, its servants, agents, officers, directors and shareholders for any further damages, indemnity or contribution.

(e) THE CUSTOMER UNDERSTANDS AND AGREES AS FOLLOWS:

- i) THAT THE LIMITS OF LIABILITY AS HEREIN PROVIDED IS SPECIFICALLY IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTY OR CONDITION WHETHER ARISING BY OPERATION OF STATUTE, COMMON LAW OR IN EQUITY.
- ii) NO ALTERATION OR AMENDMENT TO THE TERMS AND CONDITIONS HEREIN SHALL BE BINDING ON CHT EXCEPT IF MADE IN WRITING DULY EXECUTED BY AN OFFICER OF CHT.
- iii) CHT'S LIABILITY HEREUNDER SHALL CEASE AND BE AT AN END, IN ANY EVENT, AT SUCH TIME AS THE CUSTOMER OR ANY OTHER PERSON UNDERTAKES FURTHER PROCESSING, ASSEMBLY OR ANY OTHER WORK ON THE MATERIAL.

IV. QUOTATIONS, PRICE, PAYMENT, DELIVERY, TITLE & RISK, ETC.

1. Quotations by CHT are for immediate acceptance by Customer only, unless otherwise specified therein, and are subject to change without notice.
2. Orders based on quotations are subject to acceptance by CHT when received, and price quoted for specified quantity and immediate acceptance. The quotation is based on last quoted price of required material and prevailing wage-rates. Any increase in price of material or wage rates may be covered by corresponding increase in price shown above.
3. Delivery dates are estimates only and are not guarantees. They are based upon prompt receipt by CHT of an order, and all information necessary to permit CHT to proceed with work immediately and without interruption, and satisfactory assurance of compliance with the terms of payment agreed upon, as well as the conditions at the time of quotation.
4. Unless otherwise specified, prices quoted are exclusive of any transportation costs or any taxes, duties or similar charges imposed by any government or government agency. CHT does not accept charges by commercial or other carriers unless specifically authorized by an officer of CHT and confirmed accordingly. Except as aforesaid, all transportation and other such charges shall be paid for by the Customer. The Customer agrees to pay all taxes, duties or such similar charges resulting from products, goods, services and/or advice supplied or performed by CHT to or for the Customer.
5. All merchandise delivered to CHT by Customer shall remain the property of Customer at all times and Customer assumes all risks of loss or destruction including normal spoilage.
6. CHT shall have the right to stop work at any time and withhold deliveries of any or all of the property of the Customer if any payment required is not made promptly as agreed or upon proof of the Customer's inability to pay as agreed, and thereupon all amounts pertaining to the products, goods, services and/or advice supplied or performed by CHT to or for the Customer shall be due and payable.
7. All invoices are payable in Canadian Funds unless otherwise stated.
8. Payment terms; Net 30 days.

9. The applicable federal laws of Canada and the laws of the Province of Ontario shall govern these terms and conditions as well as all invoices, purchase orders or other documents or oral agreements pertaining to products, goods, services and/or advice supplied or performed by CHT to or for the Customer, and Customer agrees to attorn to the jurisdiction of the courts of the Province of Ontario and Canada.