

## STANDARD CONDITIONS OF SALE

**1. ENTIRE AGREEMENT.** Orders are accepted and materials are delivered only subject to these standard Conditions of Sale. Unless expressly set forth herein or in another document signed by an authorized representative of the Seller any qualifications of these Conditions, or anything contrary to or inconsistent with any of these Conditions, or any additional conditions, must be deemed to be and will be, treated as inapplicable and of no effect. The acknowledgement of Seller's Sales Order, together with the Purchaser's Order to the extent that it is not inconsistent with these Standard Conditions of Sale, and these Standard Conditions of Sale constitute the whole contract between the seller and the Purchaser for the sale and purchase of the material designated on the front hereof, and such contract shall be construed in accordance with the law of the Province of Alberta.

**2. TERMS OF SALE.** Unless expressly set forth on the front hereof or otherwise agreed in writing, all materials are sold F.O.B. shipping point freight prepaid and allowed. Seller retains the right to designate routing and the method of transportation unless otherwise agreed. Upon delivery of the materials to the carrier or other due tender of the materials for delivery, at the F.O.B. point, all risk of loss or damage and other incidents or ownership pass to Buyer. All of Seller's products are carefully inspected and packed before shipment and are rechecked for the carrier in good condition. If there is any evidence of injury to containers, packing or contents, Buyer should not receipt to carrier in good condition but should give receipt according to facts. In a case of injury by carrier, Seller will, if requested by Buyer, make claims on behalf of Buyer provided the necessary data to substantiate such claims is submitted within the applicable statutory period.

**3. TERMS OF PAYMENT.** Unless expressly set forth on the front hereof or otherwise agreed in writing the terms of payment for all shipments made hereunder will be 30 days from date of invoice. Seller will be entitled to charge interest on any overdue amounts at the rate of 2% per month (24% per annum). Notwithstanding the foregoing, Seller shall be entitled to refuse, modify or withdraw extension of credit. If Buyer is in default of any of the terms hereof, or any other contract with Seller, Seller may, at its option, suspend fabrication and/or shipment until such default is made good; and Seller may elect to treat such defaults as final refusal to accept further shipments hereunder and cancel this contract without prejudice to claims for materials shipped and cancellation charges.

**4. SALES TAXES.** Unless otherwise stated herein, the seller's prices do not include sales, use, excise or similar taxes. Consequently in addition to the prices quoted, Buyer shall pay to the Seller the amount of all present or future sales, use, excise or similar taxes which the Seller is required to pay or to collect in connection with Buyer's order. In the event that the contracted price is stated to be inclusive of any given tax. Buyer shall pay to the Seller any excess amount which the Seller is required to pay or to collect by virtue of a change in the rate of application of such tax.

**5. PRICES.** Material will be invoiced at Seller's prices prevailing on date of order receipt and scheduled for APEL's next available ship date, prior quotations or order acknowledgements notwithstanding.

**6. SALE FROM INVENTORY.** Orders for materials in stock or in warehouse are accepted subject to claims for such materials arising out of prior commitments or previous sales.

**7. WARRANTY.** Seller warrants that (a) the materials covered by this contract will conform to the description thereof set forth in this contract with the specifications and tolerances, unless otherwise specified, as shown in the appropriate Data Sheets at the Seller in force on date of this contract; (b) such materials will not be defective in material or workmanship; and (c) the title to such materials will be clear and free from encumbrances.

This warranty is in substitution for and excludes all express or implied conditions, warranties, or liabilities of any kind relating to the materials sold whether as to fitness for use, and merchantability or otherwise and whether arising under statute or in tort or by implication of law or otherwise, and in particular, a condition, warranty or guarantee to the effect that the materials to be delivered hereunder is suitable for use under any specific conditions or for any specific purpose although such conditions or such purpose may be known to the Seller.

If Seller is notified within thirty (30) days (or period specified on the front hereof) after receipt of such materials by Buyer that there is a breach of any warranty by Seller, then, after the Seller has inspected the materials and the Buyer and Seller have mutually agreed that there is a breach of warranty, Seller, at its option, will repair, replace or exchange such materials for refund of the purchase price.

Seller shall not be liable for any design assistance provided to the Purchaser, regardless of any special knowledge Seller possesses concerning the intended use of the product purchased and Purchaser acknowledges that it has not relied on Seller's advice, if any, as to the suitability of either the design or alloy for its intended purpose.

The remedies provided herein shall be Purchaser's exclusive remedies for breach-of any warranty. In no event will Seller be liable for any loss of income, loss of profits or consequential, incidental or indirect damages resulting from any breach, default or delay or performance by Seller under this contract.

Every right, exemption from liability and defence of whatever nature to which the Seller is entitled hereunder shall extend to protect every agent or employee of the Seller and for the purpose of the foregoing provision the Seller shall be deemed to be acting as agent or trustee on behalf of its employees and agents.

**8. CUSTOMER SUPPLIED PRODUCT.** Seller cannot accept responsibility for the quality or the workmanship of the material(s) received for finishing, nor the quality of the finishing as a result of damaged, stained, defective or prefinished materials received from the customer or his supplier.

**9. END USE OF RESPONSIBILITY.** Purchaser warrants and represents that it is using the materials by itself or in conjunction with other products and materials, in a manner that is safe and effective and meets all legal standards, both express and implied, for safety and effectiveness.

**10. PATENT INDEMNIFICATION.** The Purchaser shall indemnify the Seller against all damages, penalties and expenses to which the Seller may become liable through any work required to be done in accordance with the Purchaser's specification, which involves an infringement of a patent, trademark, copyright or registered design.

**11. SHIPPING PREDICTIONS.** Shipping predictions shall be calculated from the date of receipt at the Seller's works of full manufacturing details. Any time or date named by the Seller for shipments is given and intended only as an estimate and the Seller shall not be liable for any damages resulting directly or indirectly for any delay in shipment.

**12. TOOLING.** Tooling purchased for a Customer shall remain the property of the Seller and in its possession. The Seller agrees to maintain tooling in condition to furnish material to original specifications, subject to standard commercial tolerances or other tolerances mutually agreed upon. When for 18 consecutive months no orders have been received for a shape, the tooling may be scrapped or otherwise disposed of without reference or accounting to the Customer.

**13. FORCE MAJEURE.** The Seller shall not be liable for any delay in the fulfillment of or failure to fulfill the order for any cause beyond the control of the Seller or, without prejudice to the generality of the foregoing, in case of Act of God, war, riots, fire, explosion, flood, earthquakes, strikes (including strikes at facilities of Seller or its affiliates), lockout, injunction or inability to obtain (for) the Seller's customary and then existing sources, supplies of power, fuel, raw materials, finished products, labour, transportation facilities, or Government allocation (including allocation at request of or in cooperation with Government) preventing the manufacture, shipment, acceptance or consumption of a shipment of goods or material upon which the Seller is dependent. If because of any such circumstances, the Seller's obligation shall be reduced to the extent necessary in the seller's judgment to allocate in an equitable manner among its customers (including divisions, subsidiaries and affiliates of the Seller) including new customers and those not under contract, the materials of a kind covered by this order then available for delivery and such quantity as may be manufactured in the ordinary course of business or received from the Seller is customary and then existing sources of supply. The Seller shall not be required to increase its taking from any other source of supply or to purchase any supply of materials of the kind covered by this order to replace the supplies curtailed or cut off. Any materials not shipped when due for any cause hereinbefore mentioned may be cancelled by the Seller or the Purchaser, upon payment of the Seller's usual cancellation charges, if any, but the contract shall not otherwise be affected.

**14. CANCELLATION.** In the event that Buyer cancels an order, Buyer shall pay Seller as liquidated damages the full purchase prices for such materials as are completed and an equitable price for such materials as are in process at time of cancellation, which price shall include the cost of materials acquired by the seller together with a reasonable allowance for overhead and profits on work performed.