

GENERAL TERMS AND CONDITIONS OF SALE

of
SCHAEFER Elevator Components Inc.

As of 01. February 2017

(a) **Scope of Application and Acceptance of Terms**

These terms and conditions govern the sale of Product(s) ("Products") by SCHAEFER Elevator Components Inc. and its divisions, subsidiaries and affiliates (collectively, the "Seller"). These terms and conditions ("Agreement") take precedence over the Buyer's supplemental or conflicting terms and conditions to which notice of objection is hereby given. Acceptance by the Buyer is limited to and conditioned upon the Buyer's assent to these terms and conditions. Neither the Seller's commencement of performance or delivery shall be deemed or constituted as acceptance of the Buyer's supplemental or conflicting terms and conditions. The Buyer's acceptance of the Products from the Seller shall be deemed to constitute acceptance of the terms and conditions contained herein. THESE TERMS AND CONDITIONS MAY ONLY BE WAIVED OR MODIFIED IN A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE SELLER.

- (b) For the purpose of this Agreement, "Buyer" includes any person or entity that purchases or receives a Product sold by the Seller.

Orders

All orders placed by the Buyer are subject to acceptance by the Seller. Orders may not be cancelled or rescheduled without the Seller's written consent. All orders must include delivery dates, quantities and a complete description of the Products being purchased. The Seller may designate certain Products as non-cancelable, non-returnable ("NCNR") or customer specific ("CS").

Prices

- (a) The prices of the Products are those specified on the front of the Seller's invoice. Pricing for undelivered Products may be increased in the event of any increase in the Seller's cost, change in market conditions, or any other causes beyond the Seller's reasonable control. Price quotations, unless otherwise stated, shall automatically expire thirty (30) calendar days from the date issued and may be cancelled or amended within that period upon notice to the Buyer. All quotations are deemed to be Freight-on-Board ("FOB") the Seller's location unless stated in writing and approved by the Seller.
- (b) Unless otherwise agreed to in writing by the Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all applicable taxes. The Buyer agrees to indemnify and hold harmless the Seller for any liability for taxes in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. When applicable, transportation and taxes shall appear as separate items on the Seller's invoice.
- (c) Unless otherwise agreed to in writing by the Seller, all prices are quoted, and payments are due, in Canadian Currency (\$ CAD).

Payment

- (a) Upon approval of credit, standard terms of payment are net thirty (30) days from the date of invoice unless otherwise specified in writing by the Seller. In addition, the Buyer shall be deemed to have accepted an invoice upon the fifteenth (15th) day from the date of the invoice and no further

objections to the invoice shall be permitted or accepted. If the Seller otherwise specifies in writing, payment terms longer than thirty (30) days from the day of invoice, then:

- (i) the invoice shall be deemed to be accepted upon the thirty (30th) day from the date of the invoice and no further objections shall be permitted or accepted; and
 - (ii) the Buyer must certify within thirty (30) days from the date of invoice that payment has been submitted for processing. The Seller may invoice each shipment separately and each shipment shall be considered a separate and individual contract. The Buyer agrees to pay such invoice pursuant to its terms without the benefit of setoff or deduction.
- (b) All late payments shall be charged interest computed *per diem* from the due date until paid in full. A late charge of two percent (2%) per month or the maximum rate permitted by applicable law, whichever is less, shall be imposed on all past due accounts. The Buyer shall be liable for the costs of collection, including legal fees and court costs on a solicitor and client basis, in any action to collect past due amounts.
 - (c) Transportation charges from the Seller's facility to the Buyer's facility shall be paid by the Buyer to the Seller, in addition to the purchase price of the Products, unless otherwise agreed to in writing by the Seller. The Seller shall select the carrier in the absence of specific instructions by the Buyer.
 - (d) The Seller reserves the right to establish and/or change credit and payment terms extended to the Buyer when, in the Seller's sole discretion, the Buyer's financial condition or previous payment record warrants such action. Further, on delinquent accounts, the Seller shall not be obligated to continue performance under any agreement with the Buyer.
 - (e) If the Seller believes in good faith that the Buyer's ability to make payments may be impaired or if the Buyer shall fail to pay any invoice when due, the Seller may suspend delivery of any order or any remaining balance thereof until such payment is made or cancel any order or any remaining balance thereof, and the Buyer shall remain liable to pay for any Products already shipped and all NCNR and CS Products ordered by the Buyer.
 - (f) The Seller retains a purchase money security interest in the Products delivered to the Buyer, and in their accessories, replacements, accessions, proceeds and Products, including accounts receivable (collectively, the "Collateral") to secure payment of all amounts due under this Agreement. The Buyer's failure to pay all amounts hereunder in full when and as due shall constitute a default hereof and shall give the Seller all rights of a secured party. If the Buyer fails to pay any amount when due, the Seller shall have the right to repossess and remove all or any part of the Collateral from the Buyer, but not from the Buyer's customers. Any repossession or removal shall be without prejudice to any other remedy of the Seller hereunder, at law or in equity. The Buyer agrees, from time to time, to take any act and execute and deliver any document (including, without limitation, financing statements) reasonably requested by the Seller to transfer, create, perfect, preserve, protect and enforce this security interest.
 - (g) Any payment received from the Buyer may be applied by the Seller against any obligation owing from the Buyer to the Seller, regardless of any statement appearing on or referring to such payment, without discharging the Buyer's liability for any additional amounts owing from the Buyer to the Seller, and the acceptance by the Seller of such payment shall not constitute a waiver of the Seller's right to pursue the collection of any remaining balance.

Delivery and Title

All deliveries shall be made on the basis of FOB the Seller's location. Subject to the Seller's right of stoppage in transit, delivery of the Products to the Buyer's chosen location, shall constitute delivery to the Buyer and title and risk of loss shall thereupon pass to the Buyer. Selection of the carrier and delivery route shall be made by the Seller unless specified by the Buyer. The Buyer acknowledges that delivery dates provided by the Seller are estimates only and the Seller shall not be liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of the Seller nor shall the carrier be deemed to be an agent of the Seller. In the event of delay caused by such event, the date of delivery shall be extended for a period equal to the time lost as a consequence of the delay in delivery without subjecting the Seller to any liability or penalty. If the Products perished while in the custody of the carrier, the Seller shall be deemed to

have performed its obligations in full. Delivery of a quantity, which varies from the quantity specified, shall not relieve the Buyer of the obligation to accept delivery and pay for the Products delivered. Delay in delivery of one installment shall not entitle the Buyer to cancel other installments.

Acceptance / Returns

- (a) Shipments shall be deemed to have been accepted by the Buyer upon delivery of said shipments to the Buyer unless rejected upon receipt. The Buyer shall perform whatever inspection or tests that the Buyer deems necessary as promptly as possible but in any event no later than five (5) days after delivery, after which time the Buyer shall be deemed to have irrevocably accepted the Products. Any discrepancy in shipment quantity must be reported within five (5) business days of receipt of the Products. In the event of an over shipment, the Buyer shall have the option to return the Products to the Seller at the Seller's expense or alternatively, the Buyer may elect to retain the Products (subject to adjustment of the invoice or the issuance of another invoice to account for such additional items).
- (b) Any Product shall only be returnable to the Seller for credit upon the Buyer receiving authorization and an approved return authorization (RA) number from the Seller. All Product returns are also subject to inspections prior to approval of said return. If the Buyer complies with the return process stated herein, and the Seller inspects and approves the return of said Product, the Seller will provide the Buyer with credit for the value of such Product as specified in the Seller's invoice to the Buyer, less the restocking charge. All Product returns shall be subject to a restocking charge equivalent to twenty-five percent (25%) of the value of such Product as specified in the Seller's invoice to the Buyer. Returned Products must be in the original packaging. Products not eligible for return shall be returned to Buyer freight collect.

Limited Warranty and Limitation of Liability

- (a) The Seller warrants the Products, excluding labour, for a period of twelve (12) months after the date in which the Product is shipped by the Seller. The Seller's warranty period commences from the date in which the Product is shipped by the Seller and is not extended by virtue of repair or replacement of the Product by the Seller in accordance with section 7(b).
- (b) The Buyer must return any defective Product to the Seller with prepaid shipping. Upon receipt and confirmation by the Seller of any defective Product, the Seller's exclusive obligations with respect to the defective Product shall be, at the Seller's option, to repair the Product or part of the Product or to exchange the Product or part of the Product with either a new or refurbished replacement, the choice of such replacement being at the sole discretion of the Seller, to provide credit to the Buyer the purchase price paid for the Product, or to refund to the Buyer the purchase price paid for the Product.
- (c) If the Seller deems that a Product is to be replaced with either a new or refurbished Product, the Seller shall provide the Buyer with said replacement in exchange for the defective Product via ground shipping. The Buyer acknowledges and agrees that the Seller is not required to provide express or expedited delivery.
- (d) Notwithstanding anything herein to the contrary, the liability of the Seller under this Agreement for all claims shall not exceed the sum of the Buyer's payments for the Products which are the subject of the dispute and the foregoing is the Buyer's sole and exclusive remedy for all claims under this Agreement. THE FOREGOING WARRANTY IS THE SOLE WARRANTY, EXPRESS OR IMPLIED, GIVEN BY THE SELLER IN CONNECTION WITH THE PRODUCTS, AND THE SELLER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD-PARTY RIGHTS AND WARRANTIES AGAINST LATENT DEFECTS.
- (e) The warranty period for a replacement Product shall be twelve (12) months from the date in which the original Product is shipped by the Seller and not twelve (12) months the date in which the replacement Product is shipped by the Seller.
- (f) No warranty shall apply to any Product that has been subject to misuse, improper testing, assembly, mishandling, or which has been operated contrary to current instructions relating to

installation, maintenance or operation, or contrary to industry standards relating to acceptable input power.

- (g) The Seller disclaims, and shall have no liability for any trademark, trade dress, trade secret, copyright, design or patent infringement, or any other intellectual property right, which may occur, as a result of the sale of Products to Buyer. The only remedy or recourse for trademark, trade dress, trade secret, copyright, design or patent infringement, or any other intellectual property right, shall be against the manufacturer of the Products which is explicitly subject to the limited warranty of the manufacturer of the Product. There shall be no remedy or recourse against the Seller or the manufacturer to the extent the infringement arises from or is otherwise based upon:
- (i) the manufacturer's compliance with the particular requirements of the Buyer that differ from the manufacturer's standard specifications for the Product;
 - (ii) modifications or alterations of the Product other than by the manufacturer; or
 - (iii) a combination of the Product with other items not furnished or manufactured by the manufacturer.
- (h) THE BUYER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND THE SELLER SHALL NOT BE LIABLE FOR, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION COSTS, REMOVAL AND/OR REINSTALLATION COSTS, REPROCUREMENT COSTS, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION OR LOSS OF CUSTOMERS, EVEN IF THE SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE BUYER'S RECOVERY FROM THE SELLER FOR ANY CLAIM SHALL NOT EXCEED THE BUYER'S PURCHASE PRICE FOR THE PRODUCT GIVING RISE TO SUCH CLAIM IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. THE SELLER SHALL NOT BE LIABLE FOR AND THE BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS THE SELLER FROM ANY CLAIMS BASED ON THE SELLER'S COMPLIANCE WITH THE BUYER'S DESIGNS, SPECIFICATIONS OR INSTRUCTIONS, OR MODIFICATION OF ANY PRODUCTS BY PARTIES OTHER THAN THE SELLER, OR USE IN COMBINATION WITH OTHER PRODUCTS. IF, FOR ANY REASON, THE FOREGOING LIMITATIONS ARE FOUND BY A COURT OF COMPETENT JURISDICTION TO BE INVALID OR INAPPLICABLE UNDER ANY APPLICABLE FEDERAL OR PROVINCIAL LAW, THE BUYER AGREES THAT THE SELLER'S TOTAL LIABILITY FOR ALL DAMAGES, LOSSES, OR CAUSES OF ACTION OF ANY KIND OR NATURE SHALL BE LIMITED TO ACTUAL DAMAGES WITHOUT REGARD TO ANY PUNITIVE OR EXEMPLARY DAMAGES PROVIDED BY ANY SUCH APPLICABLE LAW.
- (i) The Buyer acknowledges that this Agreement was entered into at arms length and that it was not fraudulently induced to enter into this Agreement, in whole or any part, and the Buyer explicitly disclaims and waives any claim with respect thereto.

Intellectual Property

If any Product includes software or other intellectual property, such software or other intellectual property is provided by the Seller to the Buyer subject to the copyright and user license, if any, for such Products, the terms and conditions of which are set forth in the license agreement accompanying such software or other intellectual property. Nothing herein shall be construed to grant any right or license to use any software or other intellectual property in any manner or for any purpose not expressly permitted by such license agreement. The Buyer acknowledges and understands that the Seller is not liable to the Buyer or any third-party for any copyright, design or patent issue, right or claim that may arise in relation to any Product.

Export Control / Use of Products

The Buyer certifies that it shall be the recipient of the Products to be delivered by the Seller. Upon receipt of the Products by the Buyer, the Seller authorizes the Buyer to resell the Products. The Buyer acknowledges that the Products may be subject to the export and/or import control laws and regulations of various countries. The Buyer agrees to comply strictly with all applicable export laws and assumes sole responsibility for obtaining licenses to export or re-export as may be required and acknowledges that it shall

not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. If the Buyer uses or sells the Products for use in any scenario that is restricted or prohibited:

- (a) The Buyer acknowledges that such use or sale is at the Buyer's sole risk;
- (b) The Buyer agrees that the Seller and the manufacturer of the Products are not liable, in whole or in part, for any claim or damage arising from such use; and
- (c) The Buyer agrees to indemnify, defend and hold harmless the Seller and the manufacturer of the Products from and against any and all claims, damages, losses, costs, expenses and liabilities arising out of or in connection with such use or sale.

Technical Assistance or Advice

Any technical assistance or advice offered by the Seller in regard to the use of any Product or provided in connection with the Buyer's purchases is given free of charge and only as an accommodation to the Buyer. The Seller shall have no obligation to provide any technical assistance or advice to the Buyer and if any such assistance or advice is provided, such fact shall not obligate the Seller to provide any further or additional assistance or advice. The Seller shall not be held liable for the content or the Buyer's use of such technical assistance or advice nor shall any statement made by any of the Seller's representatives in connection with the Products constitute a representation or warranty, express or implied.

Force Majeure

The Seller shall not be liable for its inability to secure sufficient quantities of any Product or failure to deliver due to causes beyond the Seller's reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, strike, delay by carrier, shortage of Product, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, acts of terrorism, delays in transportation or inability to obtain labor, materials or Products through its regular sources, which shall be considered as an event of force majeure excusing the Seller from performance and barring remedies for non-performance. In an event of force majeure condition, the Seller's time for performance shall be extended for a period equal to the time lost as a consequence of the force majeure condition without subjecting the Seller to any liability or penalty. The Seller may, at its option, cancel the remaining performance, without any liability or penalty, by giving notice of such cancellation to the Buyer.

Non-Waiver

No course of dealing or failure of on the part of the Seller to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of that term, right or condition nor shall the Seller's acceptance of a purchase order be deemed as an acceptance of any terms and conditions therein.

Entire Agreement

This Agreement (together with any agreements, policies or terms incorporated by reference) shall constitute the complete, final and exclusive statement of the terms of the Agreement between the parties with respect to the subject matter of this Agreement and the transactions between the parties and shall not be modified or rescinded, except by a writing signed by the Seller and the Buyer. The provisions of this Agreement supersede all prior oral and written quotations, communications, agreements, and understandings of the parties with respect to the subject matter of this Agreement. Products furnished by the Seller are done so only in accordance with these terms and conditions.

Severability

Whenever possible, each provision or portion of any provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. Further, if any provision or portion of this Agreement is held to be invalid or unenforceable, that provision or portion of any

provision shall be severed from the Agreement and the remaining provisions in this Agreement shall remain in full force and effect.

Submission to Jurisdiction and Governing Law

- (a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.
- (b) The Buyer and the Seller hereby irrevocably and unconditionally:
 - (i) submit to the non-exclusive jurisdiction of the courts of the Province of British Columbia over any action or proceeding arising out of or relating to this Agreement;
 - (ii) waive any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and
 - (iii) agree not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

General

As used herein, terms appearing in the singular shall include the plural and terms appearing in the plural shall include the singular. No rights, duties, agreements or obligations hereunder may be assigned or transferred by the Buyer, by operation of law, merger or otherwise, without the prior written consent of the Seller. Any attempted or purported assignment shall be void. The Seller's obligations under these terms and conditions may be performed by divisions, subsidiaries or affiliates of the Seller. The obligations, rights, terms and conditions hereof shall be binding on the parties hereto and their respective successors and assigns. The waiver of any provision hereof or of any breach or default hereunder shall not be deemed a waiver of any other provision hereof or breach or default hereunder. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.