

GENERAL TERMS AND CONDITIONS OF SALE
applicable to transactions by and between SELLER and a resident of Canada

- 1. PAYMENT** – Full payment shall be made before beginning or continuing work and/or prior to shipment of finished goods. In case of any and all unpaid account balances, such balance will be subject to interest at a rate of 1.5% per month, payable within 10 days of receipt by the BUYER of notice of interest charges. Any partial payments received from the BUYER shall be firstly applied to any accrued interest, and secondly applied to the principal balance owing.

STABILUS INC., a North Carolina corporation (also referred hereto as SELLER or STABILUS) hereby reserves and BUYER hereby grants to SELLER a purchase money security interest in and to any and all products sold to BUYER and the proceeds thereof, in the amount of its purchase price and any applicable interest. In the event of default by BUYER of any of its obligations to SELLER, SELLER shall have the right, in addition to any to the rights and remedies available to SELLER, to repossess the goods sold hereunder and without liability to BUYER. In such event, BUYER agrees to make the goods available to SELLER so that SELLER can repossess them without a breach of peace. In order to protect SELLER'S security interest hereby reserved and granted, and upon the request of SELLER, BUYER shall execute such financing statements and other instruments as SELLER may reasonably require to perfect its security interest.

- 2. F.O.B.** – All shipments are FOB our factory or warehouse unless otherwise stated.
- 3. PRICES** – Quoted prices are estimates only, and subject to change without notice. Orders calling for future deliveries will be invoiced according to prices in effect at the time of shipment. STABILUS limits replacement part agreements to providing the parts at the prevailing market price for a period of not longer than five years after the termination of the last order.
- 4. TAXES AND DUTY** – Any applicable sales, use, revenue, excise, or other taxes, duties, fees, shipping and handling costs, tariffs, customs and other costs not specifically indicated in our order acknowledgment are to be paid/remitted by the BUYER directly to the appropriate agency unless required to be collected by SELLER in which case they will be included in the invoice. If the BUYER is exempt from payment of any taxes, duties, fees or costs they must provide SELLER evidence of same before the shipment of STABILUS products.
- 5. LIMITED WARRANTY** – All STABILUS products are warranted for a period of one year from the date of manufacture against defective materials and workmanship.

IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR TO ANY THIRD PARTY FOR ANY LOSS OR DAMAGE ARISING DIRECTLY OR INDIRECTLY FROM THE USE OF THE PRODUCT OR FOR CONSEQUENTIAL OR INCONSEQUENTIAL DAMAGES EXCEPT FOR THE LIMITED WARRANTY DESCRIBED. SELLER MAKES NO EXPRESS OR IMPLIED WARRANTY WITH RESPECT TO ANY PRODUCTS SOLD UNDER THIS CONTRACT AND SPECIFICALLY EXCLUDES ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

If the product is being acquired for resale, BUYER will make, in connection with any such resale, only those warranties contained herein and will indemnify SELLER against such claims, causes of action and judgments, including legal and agent fees, which arise from any representation, warranties, or agreements made by or entered into by BUYER, other than those contained herein.

6. **BUYER'S EXCLUSIVE REMEDY** – In the event that any of STABILUS products sold under this agreement are discovered to be defective in material workmanship or design, the sole and exclusive remedy of BUYER (or any person claiming through BUYER) shall be limited to the repair or replacement of the same at SELLER'S plant, or at SELLER'S option, to the refund of the selling price, provided that notice of such defect is given within 60 days of discovery of such defect or one year from date of manufacture, whichever is less. In no event will SELLER be liable for any incidental or consequential damages.
7. **PATENTS** – No rights are granted by BUYER under any STABILUS patent except as may be necessary to fulfill BUYER'S obligations under this agreement. BUYER agrees to defend all suits, actions, or proceedings which may be brought against STABILUS for all alleged infringement of any proprietary interest resulting from the use or sale of STABILUS product provided hereunder and to pay all expenses and legal fees which may be incurred in defending, and all costs, damages, or other recoveries in every such suit. Any intellectual property, patentable inventions, and trade secret rights developed as a result of or during the course of this agreement belong to STABILUS.
8. **CONFIDENTIALITY** – BUYER shall keep all information that relates to STABILUS product secret and confidential, and will not disclose the information in any manner to any person or concern except to such of its employees as are required to use such information received hereunder and who undertake similar obligations of confidentiality, and then only so much of such information as is necessary for the party's manufacture, use, or sale of STABILUS product. The requirements of nondisclosure shall survive any termination of the Agreement.
9. **DELIVERY** – All stated shipment dates are approximate. SELLER will not be liable for loss or damage of any kind from delay or inability to deliver due to flood, fire, strike, labor troubles, riot, civil disturbances, accidents, act or orders or regulations of civil or military authorities, shortages of materials, or any other cause or causes (whether or not similar in nature to any of these enumerated) beyond SELLER'S reasonable control.
10. **INSPECTION** – CARRIER is responsible for loss and damage done in transit. If container is visibly damaged upon delivery, BUYER shall examine the contents and insist that such notation be made on delivery receipt. If damage is discovered upon unpacking, BUYER shall notify the CARRIER at once and request an inspection of the damage. BUYER shall confirm this request in writing and hold the container and damaged contents for CARRIER. Written claims must be entered promptly against the CARRIER. Failure to comply may result in the CARRIER'S refusal to honor your claim.

BUYER shall inspect the product immediately on its arrival and shall within 5 days of their arrival give written notice to STABILUS of any claim that the goods do not conform with the terms of the contract. If BUYER shall fail to give such notice, the goods shall be deemed to conform with the terms of the contract and the BUYER shall be bound to accept and pay for the goods in accordance with the terms of the contract.

11. **ORDER/SHIP QUANTITY** – STABILUS reserves the right to ship up to 10% above and 5% below any order/release quantity of 500 pieces or less. For orders above 500 pieces, STABILUS reserves the right to ship 5% above or below ordered quantity. If a larger quantity is delivered to and accepted by BUYER, BUYER shall pay for the products at the contract rate. If a small quantity is delivered to BUYER, BUYER shall only be required to pay for the products actually delivered at the contract rate.

- 12. PERFORMANCE/PRODUCT SPECIFICATIONS** – BUYER understands that if no customer specification exists, then the product is supplied per STABILUS specification. Additionally, the BUYER is responsible for performance approval in the application.
- 13. PRODUCT CHANGES** – In keeping with our continuing policy of product improvement, SELLER reserves the right to make modifications to our products at any time, provided such modifications do not materially affect product performance.
- 14. RETURN OF GOODS** – Products or parts may not be returned without obtaining a return number from SELLER. Products or parts returned under the aforementioned limited warranty must be shipped with transportation charges prepaid.
- 15. CONTRACT FORMATION: CHANGES** – These terms and conditions of sale and any other attachments take precedence over BUYER’S additional or different terms and conditions, to which notice of objection is hereby given. Acceptance by BUYER is limited to these terms and conditions. Neither STABILUS’ commencement of performance nor delivery shall be deemed or construed as acceptance of BUYER’S additional or different terms and conditions. BUYER’S purchase of STABILUS products hereunder represents acceptance of these terms and conditions of sales which constitute the entire understanding between the parties and supersedes any previous communications, representations, or agreements by either party, whether verbal or written. No change or modification of any of the terms or conditions herein shall be valid or binding on either party unless in writing and signed by an authorized agent of each party. Failure to enforce any term or provision does not constitute a waiver.
- 16. CANCELLATION** – The contract to which this document relates may be cancelled only with our written consent and upon payment by BUYER of cancellation charges specified by us which shall be in an amount sufficient to cover all direct and indirect expenses incurred in connection therewith, and a reasonable allowance for the profits lost as a result of the cancellation, and in no event less than 10% of our quoted prices.
- 17. ATTORNEYS FEES/CONSENT TO JURISDICTION AND APPLICABLE LAW** – BUYER shall be liable for all legal fees and costs incurred by STABILUS in the collection of any unpaid invoices and/or interest charges. BUYER consents to the jurisdiction of the COURTS of the province of Ontario in regard to any matter litigated between the parties stemming from the contract to which this document relates, and these General Terms and Conditions of Sale shall be governed by the law of the province of Ontario, with no regards to the rules of choice of law.
- 18. ENFORCEABILITY** - If any term or condition of this agreement is held void or unenforceable, it shall be severed, and every other provision shall be enforced as if the void or unenforceable term or condition had never been a part thereof.
- 19. HEADINGS** – The headings contained herein are for convenience of reference only and shall in no way define or limit the provisions thereof.
- 20. INTERPRETATION** - It is agreed and understood that unless the context of this agreement requires otherwise, words importing the singular number shall include the plural and vice versa, words

importing gender shall include all genders and words importing persons shall include individuals, corporations, partnerships, associations, trusts, unincorporated organizations, governmental bodies and other legal or business entities.

- 21. SUCCESSORS AND ASSIGNS** - This agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective heirs, executors, administrators, successors and permitted assigns. The BUYER may not assign any of its rights or obligations hereunder without the prior written consent of SELLER.
- 22.** BUYER represents and warrants that it has read and understood these terms and conditions, and that these terms and conditions are fair and reasonable.