



TERMS AND CONDITIONS OF SALE AND/OR REPAIR

1. **CUSTOMER LIABILITY AND INDEMNITY:** For the purposes of these clauses, CME means Canadian Maritime Engineering Ltd. and their respective servants, agents, employees, officers and directors, and CME's contractors performing services within the scope of their contract. The Customer means the Customer, its officers, directors, guest(s), employees, agents or contractors.
 - a) Condition of Premises: The Customer acknowledges that its use of CME's premises is on an "as is" basis without representation or warranty of any nature or kind whatsoever in connection therewith. The Customer has inspected the premises and finds them satisfactory. CME is not responsible for any damage to any of the Customer's property caused by any deficiency in the premises.
 - b) CME shall not be responsible for personal injury or death relating to the Customer arising out of or in connection with this Agreement, even if such loss, damage, injury or death is caused wholly or partially by the act, neglect, or default of CME, and the Customer will indemnify, defend, protect and hold harmless CME from any and against all claims, costs, expenses, actions, proceedings, suits, demands and liabilities arising out of or in connection with such loss, damage, personal injury or death.
 - c) In addition to the foregoing, the Customer shall be responsible for any loss or damage in connection with the use of CME's premises including, without limiting the generality of the foregoing:
 - (i) any damage to CME property including the premises;
 - (ii) any injury or death of any member of CME;
 - (iii) any loss, damage, injury or death to third parties, resulting wholly or partly from any acts or omissions of the Customer or arising from the occupancy or use of the premises by the Customer regardless of cause, and the Customer will indemnify, defend, protect and hold harmless CME from any and against all claims, costs, expenses, actions, proceedings, suits, demands and liabilities arising out of or in connection with such loss, damage, personal injury or death.
2. **CME'S RIGHTS ON TERMINATION:** Upon termination of this agreement, the Customer shall pay all outstanding fees, charges and other sums due immediately. In the event of non-payment, CME may sell the Customer's property, including any vessels, at a non-judicial sale as if CME was a storage warehouse keeper under the Storage Warehouse Keepers Act, R.S.N.S., c. 447 and recover unpaid fees or other debts due and all related costs including survey fees, towage, storage, bailiff and legal fees.
3. **PRICES:** Any prices quoted shall only be valid for orders placed within 30 days from the date of issue of the quotation. Prices subject to availability of material at time of order and are EX-Works our plant in Canadian dollars. Prices are subject to the market prices of the materials quoted. A price adjustment may be applicable at the time of order in the case of a variation of +/- 2% in the market price of subject commodities/materials. We reserve the right to correct typographical or clerical errors.
4. **TERMS:** All orders are subject to approval by our Credit Department, new customers invoices are due upon completion of services, once credit has been established through the completion of our credit application terms would be set at Net 30. If payment for the invoice due is not made within thirty (30) days after shipment, administration fees of eighteen percent (18%) per year (equivalent to a normal monthly interest rate of 2%) may be applied on overdue accounts. The terms and conditions herein set forth are based upon tariffs, taxes, foreign exchange rates, delivery and other conditions in effect on the date of this contract.
- 4a. As an official distributor of GE products, all orders of this nature will be due 10 days after receipt of GE products by the end user.
5. Unless the order includes the appropriate exemption certificates and/or licenses, duties and taxes levied by Federal, Provincial or other governments these will be billed at the rate imposed at time of importation/shipment. Until payment is made in full, Canadian Maritime Engineering Ltd. shall retain the right without notice to repossess and/or retain the items, and/or dispose of them, for its benefit and hold the customer responsible for any loss. Customer agrees to enter into any agreements, contracts or notices required to confirm such rights.
6. **SECURITY:** In order to secure any obligations due to Canadian Maritime Engineering Ltd. from the customer (whether or not under this contract) the customer grants and confirms in Canadian Maritime Engineering Ltd. a security interest in: a) the merchandise covered by this contract, and b) in all property and funds of the customer now or hereafter in Canadian Maritime Engineering Ltd's possession, whether or not arising out of this contract, and in all additions, accessions and proceeds of such merchandise and/or property. The customer hereby authorizes Canadian Maritime Engineering Ltd. to sign alone any financing statement or statements and to do all and any other things which may be necessary to perfect such security interest.
7. **CANCELLATION:** After acceptance, orders may be cancelled only with approval and payment in accordance with contract by the customer for work performed and/or material expenses incurred by us to date of cancellation. We reserve the right to cancel the order if the customer's financial conditions, on our sole judgement, place the payment in jeopardy.
8. **RETURNS:** No credit will be allowed for returns unless our authorization in writing for such returns has been obtained beforehand.
9. **SHIPMENT:**
 - a) New articles: Where shipping instructions indicate no exact routing, our best judgement will be used in determining routing but we shall not be liable for any changes beyond EX-Works point. If changes are made at customer's request in a) EX-Works point, b) in our normal routing from either the manufacturers or our own plants and if these changes involve extra costs, such costs shall be for the customer's account.
 - b) Repair Work: Defined as work and services performed by Canadian Maritime Engineering Ltd. All orders shall be delivered to and picked up from our plant unless otherwise specified. All costs of delivery shall be for the customer's account unless otherwise agreed to in writing prior to shipment.
 - c) All Orders: On collect freight shipments, cartage charges from our plant to carrier are for customer's account. Title to articles passes to customer upon delivery to carrier acting as customer's agent subject to any right of retention by us. All claims for shortages in and damages in shipment or otherwise must be reported to carrier immediately upon receipt with copy of report to ourselves within five days.
10. **GUARANTEE:**
 - a) New Articles: We guarantee articles of our manufacture against defects in material and/or workmanship for a period of twelve (12) months from date of shipment, providing that the articles have been installed, maintained and operated in accordance with our recommendations and instructions.
 - b) Repair Work: Defined herein as work and services performed by Canadian Maritime Engineering Ltd. We guarantee all work and services performed by us against defects arising from workmanship and/or materials provided by us for a period of ninety (90) calendar days from the date of completion of work.

c) All Orders: Claims shall be submitted promptly in writing to Canadian Maritime Engineering Ltd. replacement and/or repair under guarantee shall be made EX-Works our Plant. Our liability under these guarantees is limited to the replacement and/or repair only of defective material or workmanship and in no event shall Canadian Maritime Engineering Ltd. be liable for any loss or damage or whatever kind or nature out of defects in material and/or workmanship or resulting from delay or loss of use of articles or any installations into which the article may be installed or arising out of the contract of the work or services or from negligence.

Canadian Maritime Engineering Ltd. shall not be liable for any loss or damage resulting from delay and/or late delivery due to causes beyond our reasonable control. In no event shall Canadian Maritime Engineering Ltd. be liable for any claim exceeding the amount of this order. Our guarantee on products of other than our own manufacture is limited to the guarantee extended to us by the original manufacturer on any claims for repair and/or replacement under such guarantee all costs incurred by us which are not underwritten by the original manufacturer shall be for the claimant's account. Except as stated above no representations, conditions or warranties are made with respect to products, work or services, expressed or implied, verbal or otherwise, including warranties of merchantability and fitness. **Our guarantee and warranty shall not apply to materials or workmanship which have been subject to misuse, neglect or accident.**

Canadian Maritime Engineering Ltd. shall be held free and harmless from any dispute or claim anywhere arising relating to infringement of patent, design, trade mark or copyright of items sold or repaired under this contract.

11. **PROPERTY RIGHTS AND RISKS:** The customer's property at all times shall remain at the risk of the customer while being worked on by our personnel or on our premises and Canadian Maritime Engineering Ltd. until such items are paid for, subject to risk on products sold passing to the customer upon acceptance by a carrier, or otherwise, which shall constitute good delivery.
12. **The customer agrees not to solicit, induce or attempt to solicit or induce employees from CME** or aid others in soliciting or inducing employees of CME to leave its employ or in any way interfere with the relationship between CME and its employees. **In the event that the customer solicits or induces an employee of CME to leave his employment, the customer shall pay to CME an amount equal to 6 months wages of the employee which wages represent an estimate of the costs to CME of replacing the employee and for breach of this provision.**
13. Our proposal is based on applicable exchange rate published by The Bank of Canada at noon the day before the quotation date. A price adjustment may be applicable at the time of order in the case of a variation of +/- 2% of this amount.
14. **NON-WAIVER:** Nothing contained in this Agreement shall be construed as a waiver by the CME of any rights and remedies available under applicable law. A waiver of any condition or term of this Agreement by CME shall not be deemed a continuing waiver of said condition or term.
15. **ENTIRE AGREEMENT:** This constitutes the entire agreement between the parties. No modification or amendment of this Agreement shall be valid unless evidenced in writing and signed by both parties. I have read this Agreement and fully understand all the terms thereof and realize as a Customer that I am personally responsible for the terms and conditions set forth herein.

ACCEPTANCE OF TERMS:

Signature and Title

Date