

**Atlas Copco Tools and Assembly Systems (Canada), a division of Atlas Copco Canada Inc.**

1. **Purchaser's Acknowledgment of Applicability.** Atlas Copco is referred to hereinafter as the "Seller" and the customer is referred to as the "Purchaser". The present General Terms and Conditions of Sale (referred to as the "General Terms") are applicable to and form the sole and integral part of every contract, quotation, purchase order, order form, proposal or invoice (the "Contract") between the Seller and the Purchaser (also referred to individually as "Party" or collectively as the "Parties") for the sale of parts, equipment, machines, accessories, goods or services (also referred to as the "Product" or the "Products").
2. **Credit.** A credit account cannot be opened by the Seller until the receipt, by the Seller's Credit Department (the "Credit Department"), of a duly signed Credit Application, as well as the Contract duly executed by the Parties. The Purchaser understands and agrees that on-going credit approval to the satisfaction of the Seller shall be a continuous pre-condition of sale of any Product.
3. **Price.** Unless stipulated otherwise by Seller, all prices are in Canadian Dollars.
4. **Taxes, Duties & Levies.** All applicable sales taxes, excise taxes, value-added taxes, harmonised taxes, use taxes, duties and levies are as indicated in the Contract and shall be added to the Price by the Purchaser.
5. **Terms of Payment.** The terms of payment for Products are net thirty (30) days from the date of the Seller's invoices, unless different terms have been agreed to in writing in a separate amendment by the Parties. Any invoice not paid by the due date will be considered outstanding and a late charge will be payable by the Purchaser on the outstanding amount from the due date until the payment of the total amount due to the Seller, which shall be calculated as the lesser of: (i) two percent (2%) per month (twenty-four percent (24%) annually); and (ii) the highest interest rate permitted by law.
6. **Purchaser's Acceptance of the Service.** The Purchaser has the obligation to inspect the Service Workmanship upon receipt of the returned Product and such Service will be deemed to be in compliance with the Contract and accepted by the Purchaser, unless a written notice indicating otherwise is received by the Seller within fourteen (14) business days after the Purchaser's receipt of the Product. Purchaser's signature on a Field Service Report will be accepted as acknowledgement by Purchaser that the Service Work was completed satisfactorily.
7. **90 Day Limited Service Warranty.** Seller offers a 90 Day Limited Service Warranty on the work specified in the Contract. Seller warrants that the repaired Product will function under normal operating conditions and the work performed will not cause the Product to malfunction. Replacement parts supplied by the Seller shall be covered by this 90 Day Limited Warranty with the exception of parts that are no longer available, unless otherwise specified in the Contract. The warranty period shall begin on the date the Purchaser's Product is shipped from the Sellers' facility and will cease 90 days after this date. Should the Purchaser return a repaired Product within the warranty period, Seller will diagnose the Product and determine if the root cause of the malfunction is a result of the work performed or parts provided during the original service. In these cases, Seller will

repair the Product without charge to the Purchaser including replacement of defective parts provided in the original service. Replacement parts for some tools are no longer available due to product obsolescence. In these situations the Seller may not be able to complete the warranty repair and will inform the Purchaser of the options available replace the Product at Purchaser's expense. When the 90 Day Limited Warranty has expired, the work will be quoted as a chargeable repair. This warranty is not transferable and is limited only to the Product repaired.

8. **Cancellation.** The Purchaser will not accept any cancellations of orders. Any exception shall be determined by the Seller, at its sole discretion. The Seller's determination of its acceptance of any such cancellations shall be pre-conditioned on the Purchaser sending a written notice to the Seller, requesting the cancellation and detailing with specific accuracy the reasons for any said request, as soon as the circumstances arise giving reasons for such request of cancellation. Cancellation charges will be applied to cover costs incurred by the Seller. A minimum 4 hour service charge at standard hourly rate will apply for On-Site Service Visits cancelled within 2 business days of the intended start date for the work. Any travel and living costs incurred by the Seller will also be charged to the Purchaser. For example: to cancel work scheduled to start on a Monday morning without penalty, cancellation notice must be received by the Purchaser in writing before mid day on the Thursday prior.
9. **Expiration and Return UnRepaired (RUR).** This proposal expires sixty (60) days from its date and is subject to change upon notice. In the event the Seller does not receive a response from the Purchaser providing clear direction regarding the proposal within the 60 day period it is assumed the Purchaser does not want to proceed with the service quoted. The Seller will process the Purchaser's Product as Return UnRepaired (RUR). Should the Purchaser decide not to proceed with the proposal, the Purchaser's Product will be returned AS IS in a disassembled state per Seller's inspection process. Seller assumes no responsibility for the condition or usage of this unrepaired Product. Seller reserves the right to charge a reasonable fee to cover the costs incurred to inspect and process the proposal for the Purchaser.
10. **Delivery and Lead-Time.** All delivery and production lead-times quoted by the Seller are purely estimations and are non-binding on the Seller in the event of missed dates. Deliveries shall be f.o.b. the Seller's facility. The buyer shall provide their preferred courier and account information for collect charge return shipping of the Product. The Seller reserves the right to arrange shipping of the Product and apply the shipping charge to the final invoice.
11. **Acts of Default and Termination.** The Seller shall deem any of the following acts as an "Act of Default" caused by the Purchaser: 1) The Purchaser becomes insolvent, makes an assignment in bankruptcy, a receiving order is granted against it, proposes a compromise or an arrangement for the benefit of its creditors, takes advantage of any recourse or procedures under any bankruptcy or insolvency law within any jurisdiction; 2) the Seller is convinced, in its own assessment, that acts have or may be posed by the Purchaser that are intended to defraud the Purchaser's creditors or jeopardize any security interest, hypothec and/or reservation of ownership that the Seller may hold without the prior written consent of the Seller; 3) there is a change in the corporate control of the

Purchaser; 4) there has been a change in the corporate name or control of the Purchaser, due to merger or acquisition, or divestiture of any part of the business of the Purchaser; 5) the Purchaser has defaulted to pay its invoices, pursuant to the terms of payment; 6) the Purchaser has breached any provision of the General Terms. If the Purchaser fails to satisfy any demand for rectification of default within five (5) days, then In the event of any breach of the General Terms by the Purchaser or of an Act of Default, the Seller may terminate the General Terms upon giving five (5) days written notice of termination.

12. **Delays, Non-Performance, Force Majeure and Liability Limitation.** The Seller shall, under no circumstances, be held liable or responsible for any delays in the delivery and manufacturing lead times of the Product, nor for any non-performance of any Contract terms or obligations due to said delivery and manufacturing lead times. In no event shall the Seller be held liable or responsible to the Purchaser or any other party for any delay, breach or failure arising, in whole or in part, by reason of Force Majeure including, but not limited to, all government action, declared or undeclared war, floods, fires, earthquakes, unusually severe weather conditions, epidemics, pandemics, civil unrest, riots or other civil disturbances, road conditions and construction, statutes, legislation, ordinances, court orders or regulations (including changes or repeal of these statutes, legislation, ordinances, court orders or regulations), strikes or labour disputes, inability to secure raw materials, supplies or labour, or any other event, cause, contingency or circumstance beyond the Seller's control, which could prevent, hinder or delay the manufacture or delivery of the Product or Service. Liability Limitation: The Seller shall not be liable to the Purchaser or any other party for any loss, cost, expense, injury or damage to persons or property; any loss of profits or loss of use of the equipment; any loss of production; any direct, indirect, exemplary or consequential damage, arising directly or indirectly from the breach or performance of the Contract by Seller.

13. **Purchaser's Responsibility for Product Performance.** Many things influence the tightening process. In accordance with applicable standards and/or regulations, we hereby inform you that you are required to check installed torque vs. specification in connection with:

- Change of your product batch
- Change of bolt or screw batch
- Change of tool or controller including software changes
- Change of Configuration
- Or any other change that might influence the tightening process
- After maintenance or repair of the tool
- As a minimum once per shift or at a frequency suited to the production process and the criticality of the joint

The check is to be done in such a way that you safeguard that the joint conditions are consistent with your specification.

14. **General Indemnity & Insurance.** Each Party shall indemnify, hold harmless and defend the other Party, its affiliates, directors, officers, agents, principals, employees, parent companies and their respective directors, officers, agents, principals, employees and their shareholders (collectively referred to as the "Indemnitees"), upon the Indemnitees' written request, for any and all claims, demands, actions, causes of action, liabilities, losses, damages, judgments, settlements and compromises for bodily injury or death,

property damage or economic loss, as well as any and all judicial and extra-judicial costs and expenses related thereto, including reasonable attorney fees, which may be incurred by or estimated against the Indemnitees to the extent caused, by any negligent act, omission, or willful misconduct, on the part of the responsible Parties or any of its directors, officers, employees, representatives, agents or subcontractors. Insurance: Each Party shall only maintain its standard commercial general liability insurance coverage in accordance with their insurers' blanket insurance policies.

15. **Successors, Heirs and Assignment.** The General Terms bind and inure to the benefit of the Purchaser and the Seller, as well as their respective successors and the Purchaser's permitted assigns according to the present section. In this respect, the Purchaser may not assign any of its rights or obligations hereunder without the Seller's prior written consent, which shall not be unreasonably withheld.
16. **Waiver.** Any failure of the Seller to enforce any provision or to exercise any of its rights pursuant to the General Terms or Contract shall not constitute a waiver, estoppel or relinquishment of any terms, conditions or rights pursuant to the General Terms and Contract and will not limit the Seller's right to enforce strict compliance of its rights at a later date.
17. **Governing Laws and Jurisdiction.** For the perfection of any security interest over the Products sold to the Purchaser by Seller, the applicable law governing security interest of the province where the Products are located shall apply. Otherwise, the interpretation, validity and performance of the General Terms and Contract shall be governed by and interpreted in accordance with the laws of the Province of Ontario. For all litigation arising out of any disputes between the Purchaser and the Seller, the Purchaser and the Seller consent to the exclusive jurisdiction of the Courts of the Province of Ontario, namely the Court offices in Mississauga Ontario, and agree that any and all such litigation will be determined exclusively by such Courts.
18. **Intellectual Property Rights.** Neither Party shall have title or property rights in the intellectual property of the other Party. All documentation and drawings, specifications and other technical information pertaining (collectively known as "Technical Information") to the Product, as well as all Technical Information reasonably necessary for the correct installation, operation and maintenance and the like of the Product, shall be considered as part of the Product and the physical media on which the same are presented shall be granted to Purchaser by Seller, as a limited license in accordance with the present provision, upon full payment, provided however, that the copyright, patent, trademark, trade name, trade secret and other intellectual property contained therein shall be and remain the sole property of the Seller. The Seller grants to the Purchaser an irrevocable, royalty-free, non-exclusive, non-transferable, non-assignable, non-sublicensable, license to use the said intellectual property solely for the purpose of installing, operating, using and maintaining the Product in the manner described in any manuals or information supplied by the Seller to the Purchaser.
19. **Non Exclusive Rights.** All rights in the General Terms shall be in addition to, and not in lieu of, the Seller's other rights and remedies pursuant to applicable law.
20. **Trade Sanctions.** Each Party shall strictly abide by all applicable Canadian, US, UN and international trade sanctions and laws.

21. **Construction.** The headings found in the General Terms are provided for convenience only and may not be considered in its interpretation.
22. **Severability.** If any provision in the General Terms should be held invalid, unenforceable or against public policy by a Canadian court of competent jurisdiction, the remaining provisions shall remain valid with full force and effect.
23. **Entire Agreement.** The General Terms, shall constitute and be deemed the “Entire Agreement” between the Seller and the Purchaser. All other documents, negotiations, representations and agreements, either oral or in writing, made by any other persons, are of no effect and are expressly superseded. The Entire Agreement between the parties may not be modified or amended in any way, except by a subsequent document, duly executed by a signing officer or employee of the Seller, who is authorised to bind the company.
24. **Language.** The Parties hereby acknowledge that they have expressly requested and are satisfied that these presents, and the documents related thereto, be drawn in English. Les parties aux présentes reconnaissent qu’ils ont expressément exigé que les présentes, ainsi que les documents qui s’y rattachent, soient rédigés en anglais, et s’en déclarent satisfaits. Ce document est aussi disponible en anglais