

GENERAL CONDITIONS OF SALE FOR REX POWER MAGNETICS PRODUCTS

These Conditions of Sale apply to all Rex Power Magnetism products unless other terms have been expressly agreed to in writing by Rex Power Magnetism. All sales transactions are subject to the latest published General Conditions of Sales of Rex Power Magnetism and to any special Conditions of Sale which may be contained in applicable quotations and acknowledgements of Rex Power Magnetism.

1.0 ACCEPTANCE, GOVERNING PROVISION AND CANCELLATIONS

No orders for **Rex Power Magnetism** (hereinafter "Rex") equipment or services shall be binding upon Rex until accepted in writing by an authorized official of Rex. Any such order shall be subject to these General Conditions Of Sale (hereinafter "**Conditions**") and acceptance shall expressly conditioned upon assent to such Conditions, which assent shall be deemed given unless purchaser shall expressly notify Rex to the contrary within five (5) days after receipt of acknowledgment or confirmation of an order and in all events prior to any delivery or other performance of such order.

No order accepted by Rex may be altered or modified by purchaser unless agreed to in writing signed by an authorized official of Rex and no such order may be cancelled or terminated except upon payment of Rex's loss, damage and expense arising from such cancellation or termination. See Cancellation Policy Section 5

Modifications or other conditions will NOT be recognized by Rex unless specifically agreed to in writing and failure of Rex to object to provisions contained in any purchase order or other communication from a purchaser (including, without limitation, penalty clauses of any kind) shall not be construed as a waiver of these Conditions nor an acceptance of any such provision. Any contract for sale and these Conditions shall be governed by and construed according to the laws of the Province of Ontario.

2.0 QUOTATION AND PRICES

Written quotations are conditioned upon acceptance by purchaser within thirty (30) days from date issued and shall be considered as offers by Rex to sell during such 30-day period unless sooner terminated by notice. All prices are subject to change without notice. In the event of a net price change, the price of the equipment on order but unshipped will be adjusted to the price in effect at the time of shipment. Downward adjustment of prices shall apply only to unshipped portions of outstanding orders. All clerical errors are subject to correction.

3.0 STATEMENT TERMS

Terms, discounts and discount dates shall be as stated in quotations, discount schedules, catalogues, invoices or other Rex publications, and shall be final, provided that a service charge will be charged on accounts past due.

Rex reserves the right at any time to demand full or partial payment before proceeding with a contract of sale if, in its judgment, the financial circumstances of the purchase no longer justifies the terms of payment specified in the contract document.

If delivery is delayed or deferred by purchaser beyond the scheduled date, payment shall be due in full when Rex is prepared to ship and the equipment may be stored at the risk and expense of purchaser. If purchaser defaults when payment is due, then the whole contract price shall become due and payable

upon demand, or Rex, at its option, without prejudice to other lawful remedies, may defer delivery or cancel the contract of sale.

4.0 DELIVERY

Delivery of equipment to a carrier at any major plant or other shipping point shall constitute delivery to purchaser, and, regardless of freight payment, all risk of loss or damage in transit shall pass to purchaser at that time. Great care is taken in packing Rex equipment. Rex cannot be held responsible for breakage after having received "in good order" receipts from the transportation company. All claims for loss and/or damage must be made by the purchaser to the carrier. Claims for shortage or other errors must be made in writing to Rex within five (5) days after receipt of shipment, and failure to give such notice shall constitute the qualified acceptance and a waiver of all such claims by purchaser.

No allowances will be made in lieu of transportation if purchaser accepts shipment at factory, warehouse, freight station, or otherwise supplies its own transportation.

Method and route of shipment will be at the discretion of Rex, unless purchaser shall specify otherwise, and any additional expense of the method or route of shipment specified by the purchaser shall be borne by purchaser. Rex reserves the right to make delivery in installments, unless otherwise expressly stipulated in the contract for sale; and all such installments when separately invoiced shall be paid for when due per invoice, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve purchaser of its obligations to accept remaining deliveries. Shipping dates are approximate and are based upon prompt receipt of all necessary information from the purchaser. Rex shall not be liable for any damage as a result of any delay due to any cause beyond Rex's reasonable control, including, without limitation, an act of God; act of purchaser, embargo or other governmental act, regulation or request; fire; accidents; strikes; slow-downs, wars, riots, delays in transportation; car shortages; and inability to obtain necessary labour, materials or manufacturing facilities. In the event of any such delay, the date of delivery shall be extended for a period equal to the time lost by reason of the delay. Extra costs incurred by routing to purchaser's requirements will be assumed by the purchaser.

5.0 CANCELLATION POLICY

Any order may be cancelled by the buyer only by written notice. Upon confirmation of the cancellation the following minimum cancellation charges will apply.

For Non-Stock Products, Specials and Custom Built Products:

- \$ 100.00 for all orders not yet processed
- \$ 250.00 for Power Transformer orders not Processed.

If the design has been completed the following minimum engineering charges apply:

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| - Control power & automation products | \$ 200.00 |
| - Low voltage reactor / inductor products | \$ 300.00 |
| - Low voltage distribution transformers | \$ 300.00 |
| - Low & medium voltage power transformers | \$ 2,000.00 |
| - Air Core Reactors | \$ 1,000.00 |
| - Other custom products | Rex quoted charge |

Power transformers and special or custom products where manufacturing has commenced, the cancellation charge will be Material + labour, up to 100% of the confirmed order price.

Rex reserves the right to cancel any order at any time for due cause with written notification to the purchaser.

6.0 SUBSTITUTES

Rex may furnish suitable substitutes for materials unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers, and assumes no liability for deviation from published dimensions and descriptive information not essential to proper performance of the product.

7.0 WARRANTIES

Rex warrants that equipment supplied by it to be free from defects in materials and workmanship for a period of one (1) year, unless otherwise stated on quotations, from date of shipment by Rex. If within such period any such equipment shall be proved to Rex's satisfaction to be so defective, such equipment shall be repaired or replaced at Rex's option. The obligation of Rex hereunder shall be limited solely to the repair and replacement at its factory, of products that fall within the foregoing limitations, and it shall be conditioned upon receipt by Rex of written notice within the warranty period of any alleged defects or deficiencies. No products shall be returned to Rex without its prior consent. Rex shall not be responsible for shipping charges incurred, whether through return of defective items to its factory, or return of repaired or replacement items to the user. Rex cannot assume responsibility or accept invoices for unauthorized repairs to its products, even though defective. This warranty applies only to units proven defective under normal use, and does not apply to improper installation or alteration. Acceptance may be expressly provided in an authorized writing by Rex. Rex shall not be subject to any other obligations or liabilities whatsoever with respect to equipment supplied by Rex or services rendered by Rex. This warranty is void on all products supplied by Rex if full payment is not received on such products within sixty (60) days of shipment date.

THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS AND IMPLIED WARRANTIES EXCEPT WARRANTIES OF TITLE, INCLUDING, BUT NOT LIMITED TO IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

8.0 CONSEQUENTIAL DAMAGES

Anything to the contrary herein contained notwithstanding, REX SHALL NOT BE LIABLE FOR ANY CONSEQUENTIAL, CONTINGENT OR INCIDENTAL DAMAGES WHATSOEVER.

9.0 RETURNED GOODS, MATERIAL or EQUIPMENT

Authority for return must first be obtained from Rex, if credit is to be allowed on all unused goods returned to the factory by the purchaser for reasons of its own. In addition to a restocking charge, the purchaser must pay the return transportation expense plus refurbish charges. No return for credit is accepted by Rex on used goods and custom-designed or special products.

Before returning any products to Rex a Returned Goods Authorization Number (RGA#) must be obtained from Rex Customer Service.

Returned goods procedures:

1. Products being returning must be suitably packaged to prevent shipping damage.
2. All documents and packaging must be clearly marked with the Rex RGA number.
3. Returned products must be shipped freight prepaid by the purchaser.
4. Even when an inventory rotation agreement is in place an RGA number is required.
5. All products being returned for credit must be unused and in original condition.

6. Only standard catalogue products may be returned for credit. Rex reserves the right to refuse any products returned for credit.
7. All returned products are subject to a minimum 20% restocking charge plus transportation charges.
8. Non stock, custom or built to order products cannot be returned for credit under any circumstances.
9. If products being returned for credit are deemed, after inspection, to be defective due to a defect in material or workmanship and are in accordance to Rex standard product warranty, full credit may be issued at Rex's discretion.
10. If the products being returned are deemed, after inspection to be defective due to customer error or other cause not related to Rex materials and workmanship, no credit will be issued.

10.0 TITLE

Anything to the contrary herein contained notwithstanding, the title to equipment shall remain the property of Rex until full payment for such equipment is received by Rex.

11.0 ATTORNEY'S FEES

If Rex brings an action to enforce terms of sale or these Conditions, or to declare rights incident to the sale, the prevailing party in any such action, on trial or appeal, shall be entitled to his reasonable attorney's fees to be paid by the losing party as fixed by the court.

12.0 FORCE MAJEURE

Rex shall be relieved of any charges, cost etc. for late delivery or non-performance of contract, if the delay or non-conformance is caused by Force Majeure, or delays by the customer or his/her consultant(s), agent(s) or any representative(s) thereof, including but not limited to delays in the supply or approval of any drawings or plans. Force Majeure includes but is not limited to: war, revolution, insurrection or hostilities (whether declared or not), riot, civil commotion or civil uprising, earthquake, flood, tempest, hurricane, lightning or other natural disasters, fire or explosions of major proportions, strike, lockout or other industrial disturbance whether at Rex or one of its suppliers.