

AIRBOSS RUBBER SOLUTIONS - TERMS AND CONDITIONS OF SALE

The following terms and conditions shall exclusively apply to any sale of goods or services (collectively, “**Products**”) between the AirBoss entity (“**Seller**”) and the buyer (“**Buyer**”) identified on the Order Confirmation (the “**Order Confirmation**”) setting out the applicable Products, unless Seller has agreed otherwise pursuant to a master supply agreement duly executed by an authorized officer of Seller. Buyer shall be deemed to have full knowledge of these terms and conditions and such terms and conditions shall be binding if either the Products are delivered to and accepted by Buyer or if Buyer does not reject such terms and conditions in writing within five (5) days of receipt of the Order Confirmation.

1. ACCEPTANCE AND FORMATION OF CONTRACT

Buyer’s purchase orders may only be accepted in writing through the issuance of an official Order Confirmation. Once issued, the Order Confirmation, together with these terms and conditions, shall constitute the entire agreement between Seller and Buyer (the “**Agreement**”) and supersede all prior agreements, proposals and communications between the parties, whether written or oral. Seller expressly rejects and shall not be bound by any terms of Buyer’s purchase order or any other Buyer document that are inconsistent with the terms herein. In the event of any conflict or inconsistency between the terms and conditions of sale herein and the terms and conditions contained in Buyer’s purchase order or in any other document issued by Buyer, whether or not any such form has been acknowledged or accepted by Seller, these terms and conditions shall prevail. No waiver, alteration or modification of these terms and conditions shall be binding upon Seller unless made in writing and signed by a duly authorized representative of Seller.

Seller’s acceptance of any Buyer order is also subject to the remittance of any advance payment set forth on the Order Confirmation (or in the accepted Buyer order), or other form of security that may be specified by Seller thereon.

2. CHANGES AND CANCELLATION

Buyer’s purchase orders accepted by Seller through an Order Confirmation are not subject to changes or cancellation by Buyer, except with Seller’s written consent. In such cases where Seller authorizes changes or cancellation, Seller reserves the right to charge Buyer with reasonable costs based upon expenses already incurred and commitments made by Seller, including, without limitation, any labour done, material purchased and also including Seller’s usual overhead and reasonable profit and cancellation charges from Seller’s suppliers.

3. PRICE AND ADJUSTMENTS

Unless otherwise agreed by Seller in writing, the price for Products purchased and sold under this Agreement shall be (a) the price indicated on the Order Confirmation or (b) if no price is indicated on the Order Confirmation, the price indicated by Seller in a quotation letter with a stated validity beyond the delivery date indicated in the Order Confirmation. A quotation by Seller does not constitute an offer and Seller reserves the right to withdraw or revise any quotation prior to the time of its acceptance of an order from Buyer. Further, in the event a Product is listed in an Order Confirmation or quoted at an incorrect price due to an error in pricing or Product information, Seller shall have the right in its sole discretion, to refuse or cancel any orders, or part of an order and terminate this Agreement without further liability. All prices quoted are exclusive of sales tax, goods and services tax or other applicable taxes, tariffs, duties or charges, which amounts shall be invoiced to, and shall be payable by Buyer. Seller may increase or decrease its list prices at any time, in its sole discretion.

4. FREIGHT AND APPLICABLE TAXES

Unless otherwise specifically agreed in writing by the parties to this Agreement, Buyer shall be responsible for payment of all freight charges and any freight charges incurred by Seller in connection with the performance of its obligations under this Agreement, including any increases in charges. Increases in charges shall be for the account of Buyer and shall apply to any balances unshipped or undelivered from warehouse at the time any such freight increase becomes effective.

Any tax, tariff, duty or charge which Seller may be required to pay or collect, now or hereafter imposed by any governmental authority or agency, foreign or domestic, with respect to the sale, purchase, production, processing, storage, delivery, transportation, use, or consumption of any of the products or services covered hereby, including all taxes upon or measured by receipts from sales or services, shall be for the account of Buyer, and any such charges may be added by Seller as a separate item to Seller's invoices.

Where Buyer claims that it is not subject to any such tax or that Seller is not required to collect such tax, Buyer will provide Seller with any documentation necessary to support such a claim and to allow Seller to document its decision not to collect such tax. In the event Seller pays any such taxes, Buyer shall reimburse Seller promptly upon invoice. Further, Buyer shall be responsible for, and shall indemnify and hold Seller harmless from, any applicable sales, use, goods and services, harmonized sales or other taxes or any fees, assessments, levies or other amounts, including without limitation any environmental fees or waste disposal assessments or levies, whether provincial, federal or other applicable governmental level associated with the Purchase Order.

5. SHIPPING AND DELIVERY

All shipments are EXW Seller's location of manufacture, and freight collect, unless otherwise set out in the Order Confirmation. Products shipped by Seller may not be re-routed by Buyer. Seller may ship Products ordered in instalments. Shipping charges may be adjusted, at the Seller's sole and unfettered discretion, if Buyer changes the location for delivery.

All delivery and shipment dates indicated hereon are approximate and are based on prevailing market conditions applicable at the time of quotation and Order Confirmation. SELLER SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS, RESULTING FROM DELAYS IN DELIVERY, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

6. SHORTAGE OF PRODUCT

Unless otherwise agreed by Seller and Buyer in writing, during periods when demand for Product exceeds Seller's available supply, whether due to force majeure or otherwise, Seller may distribute Product among itself for its own manufacturing uses, its customers, and Buyer in such a manner as Seller in its sole discretion deems practicable. Buyer will accept, as full and complete performance by Seller, deliveries in accordance with such determinations as Seller shall make. Except in the case of Force Majeure Event (as defined in section 14 below), if not satisfied with Seller's determination, Buyer shall have a right to terminate this Agreement upon: (a) ten (10) days' written notice and (b) payment for all Product received to date, without further obligation. In the case of a Force Majeure Event, Seller has no obligation to purchase material from third parties for resale to Buyer, nor will Seller bear liability for any cost increases suffered by Buyer in purchasing substitute material from a third party.

7. LIMITED WARRANTY

Subject to Section 8 and 9 below, and except as expressly set out herein, Seller warrants (a) Products will be delivered with good and marketable title and (b) Products to be supplied by Seller to Buyer

will conform to the specifications for such Product set by Seller from time to time, or as modified, in writing by the mutual agreement of both parties. Seller shall include a Certificate of Conformity (“**Certificate of Conformity**”) and a finishing specifications sheet (“**Finishing Specifications Sheet**”) with each shipment of Product.

THE LIMITED WARRANTY ABOVE SETS FORTH THE SOLE WARRANTIES OF SELLER WITH RESPECT TO ANY PRODUCTS AT ANY TIME SOLD TO BUYER. ALL OTHER WARRANTIES AND REPRESENTATIONS AND CONDITIONS OF ANY KIND, WHETHER EXPRESS OR IMPLIED, AND WHETHER ARISING UNDER STATUTE OR UNDER CONVENTION ARE, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, HEREBY EXPRESSLY EXCLUDED AND DISCLAIMED, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. THE FOREGOING SHALL APPLY WHETHER THE PRODUCTS ARE USED ALONE OR IN COMBINATION WITH OTHER SUBSTANCES OR MATERIALS, EVEN IF THE PURPOSES OR USES OF SUCH PRODUCTS ARE KNOWN BY SELLER OR IF SELLER HAS BEEN INVOLVED IN THE ANALYSIS OF THE PURPOSES OR USES OF SUCH PRODUCTS OR HAS PROVIDED ANY RECOMMENDATIONS, ASSISTANCE OR INSTRUCTIONS IN CONNECTION THEREWITH.

Buyer accepts and assumes all responsibility, risk and liability for, and agrees to defend, indemnify and hold Seller harmless from and against, any claims or liabilities relating to any such Products or any products manufactured by Buyer containing any such Products provided by Seller.

8. LIMITED REMEDIES

Unless otherwise expressly set out herein, Buyer’s sole remedy for any claim of non-conformance with respect to Products at any time sold or agreed to be sold by Seller is limited to, at Seller’s option: (i) replacement by Seller of the particular quantity of non-conforming Product with conforming Product; or (ii) refunding the purchase price of the particular quantity of non-conforming Product less the value, if any, to the Buyer of the non-conforming product. IN NO EVENT SHALL SELLER BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS IN CONNECTION WITH ANY NON CONFORMING PRODUCTS, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.

9. RETURNED GOODS

Buyer shall examine Products promptly after receipt for damage, defects, quantity/volume and other non-conformance. Claims in respect of any Products at any time sold or agreed to be sold by Seller, whether in contract, tort or otherwise (including negligence or misrepresentation), including claims on account of weight, quality, loss or damage to said goods, are waived by Buyer unless made in writing within the earlier of (a) thirty (30) days after arrival thereof at destination and (b) the expiry of the shelf life of the Product as indicated on the labeling of such Product. In case of a timely claim concerning quality, Buyer shall promptly furnish to Seller appropriate samples of non-conforming Product for testing and analysis.

No Product (or any portion or sample thereof) shall be accepted for return (whether non-conforming or otherwise) without the prior written approval of Seller and unless it is shipped in accordance with the specifications set out in this Section.

Product falling within the acceptance level as set forth by Seller’s specifications as documented on a Certificate of Conformity shall not be returnable for replacement or credit. Where Buyer has accepted Product that does not fall within such acceptance level and has signed a waiver acknowledging the fact, such Product shall not be returnable for replacement or credit. Except as

otherwise provided in this Agreement, in the event Seller concurs that Product does not conform to (a) the required acceptance level on the Certificate of Conformity (and a waiver was not obtained from the customer) or (b) the Finishing Specifications, then such Product may be returned to Seller; provided such Product is returned in accordance with the requirements of this Section (including the time period for the physical return of such Product).

Nonconforming Products returned to Seller shall be separately packaged and marked to clearly identify the shipment. Shipping charges shall be prepaid and reimbursed by Seller to Buyer in the event Seller determines, in its sole discretion, the Products to be non-conforming in accordance with this Section. In the event Seller determines, in its sole discretion, that returned Products are not defective, shipping charges shall be Buyer's responsibility. In no event shall Seller be responsible for packing, inspection, labour or other charges in connection with Products returned for inspection. Buyer is solely responsible for all risk of loss and damage to Products being shipped for return and Products that Seller re-ships to Buyer if it determines that such returned Products are not defective. Buyer shall fully insure any return shipment of Product in case of loss or damage. Buyer must use a carrier that is able to provide proof of delivery and tracking capabilities.

Buyer's failure to return Products in the manner provided in this Section by the earlier of (a) thirty (30) days from the date of Seller's approval for such return and (b) the expiry of the shelf life of the Product as indicated on the labeling of such Product shall terminate Seller's obligation with respect to any such nonconforming Products

10. GENERAL LIMITATION OF LIABILITY

For any breach of this Agreement, Seller's sole and exclusive maximum liability shall not in any event exceed the total price of the Products ordered by Buyer pursuant to this Agreement. IN NO EVENT SHALL SELLER BE RESPONSIBLE OR LIABLE FOR ANY SPECIAL, INCIDENTAL, CONSEQUENTIAL OR OTHER DAMAGES INCLUDING, WITHOUT LIMITATION, LOSS OF PROFITS IN CONNECTION WITH A BREACH OF THIS AGREEMENT.

11. PAYMENT AND CREDIT TERMS

Unless otherwise agreed by Seller in writing, payment terms shall be set out in the Order Confirmation. Buyer shall pay Seller for Products, without set-off for any payment due from Seller not under this Agreement, in accordance with the payment terms identified in the Order Confirmation. Unless otherwise agreed by Seller in writing, no cash discounts will be granted. Where payment in full is not so remitted, Buyer shall be delinquent and agrees to pay interest at the rate of one and one-half percent (1.5%) per month (or the maximum rate allowed by applicable law) on the unpaid invoiced amount, with interest on overdue interest accruing at the same rate. In the event Seller finds it necessary to refer this matter to legal representation or agent for collection, Buyer shall pay all costs of collection, including legal fees on a solicitor-client basis, court costs and filing fees. Should Buyer become delinquent in the payment of any sum due hereunder Seller shall have the right, at its sole discretion, to take one of the following actions: (i) declare all or part of Buyer's obligation to Seller under any and all sale documents immediately due and payable; (ii) suspend its performance under or terminate one or more of its contracts with Buyer; and (iii) foreclose its security interest in the Products (as set forth in Section 13) and exercise all rights available to it as a secured party.

12. TITLE/RISK OF LOSS

Title and risk of loss for Products shall pass to Buyer upon delivery of the Products to the point of shipment indicated the Order Confirmation.

13. SECURITY INTEREST

Seller or its assignee shall have a purchase money security interest in the Products to secure payment of the purchase price until it is paid in full. Buyer agrees to execute and deliver all documents requested by Seller to protect and maintain Seller's security interests. Buyer appoints Seller as its agent to sign and file a financing statement to perfect Seller's security interest.

14. FORCE MAJEURE

Seller shall not be liable for any failure to perform or delay in performance due to fire, explosion, flood, accident, Acts of God, labour dispute, shortage or unavailability on reasonable commercial terms of utility, facility, raw materials or labour, delay in or unavailability on reasonable commercial terms of transportation, breakdown of equipment or machinery, compliance with or other action taken to comply with any law or regulation, acts of war or terrorism, restraints or requirements of any government or governmental authority or their agents, or any other cause or contingencies, whether similar or dissimilar, beyond Seller's reasonable control (a "**Force Majeure Event**"). In the case of a Force Majeure Event, Seller may, in its sole and unfettered discretion, cancel, reduce or modify its deliveries to Buyer without liability for any damages whatsoever.

15. GOVERNING LAW

These Terms and Conditions shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to principles of conflict of law. Any action or proceedings by Seller against Buyer may be brought by Seller in any court(s) having jurisdiction over Buyer's location or, at Seller's option, in the courts of the Province of Ontario, and in either event Buyer submits to such jurisdiction chosen by Seller and the service of process in accordance with applicable procedures, waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding. Any actions or proceedings by Buyer against Seller may be brought by Buyer only in the courts of the Province of Ontario.

16. EXPORT CONTROL

Products purchased or received under these Terms and Conditions may be subject to export laws and regulations of Canada and the United States of America. Customer assures that it will comply with those regulations whenever it exports or re-exports Products obtained from Seller.

17. HEADINGS

The headings of each of these Terms and Conditions are for convenience of reference only and shall not form part of these Terms and Conditions. Such headings shall be ignored in the interpretation or construction of any of these Terms and Conditions.

18. INVALIDITY OF PROVISIONS

If any provision or provisions of these Terms and Conditions shall be held to be invalid, illegal or unenforceable, such provision shall be enforced to the fullest extent permitted by applicable law, and the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

19. NO ASSIGNMENT

Buyer may not assign its rights or obligations under this Agreement without the express written consent of Seller.

20. MATERIAL SAFETY DATA SHEETS

Buyer acknowledges and represents that it has received, read and understands the Material Safety Data Sheet for the product and will read and undertake to understand any subsequent Material Safety Data Sheets or written warnings provided by Seller from time to time and undertakes to exercise the degree of care required to protect persons and properties from all hazards of the products disclosed in the Material Safety Data Sheets or warning, including but not limited to: (i) warning the employees of Buyer and its affiliates who may become exposed to the product of said hazards of the product, providing such employees with necessary and appropriate safety equipment and taking appropriate measures to assure that such safety equipment is adequately maintained and properly used; and (ii) warning third parties who may purchase or come into contact with the product or who handle or transport the product on behalf of the Buyer of the aforesaid hazards. If Buyer fails to disseminate such warnings and information, Buyer will indemnify, defend and save Seller harmless against any liability arising out of or in any way connected with such failure, including without limitation, liability for injury, sickness, death and property damage.