

General Conditions of Purchase of Industries Desormeau Inc.

These terms and conditions of purchase ("**Terms and Conditions**") govern the sale of goods, materials and products (the "**Products**") described in the purchase order ("**Purchase Order**") to which they are attached or incorporated by reference, between the purchaser named in the Purchase Order (the "**Purchaser**") and Industries Desormeau inc. (the "**Seller**"). The Purchase Order and the Terms and Conditions constitute the entire agreement between Buyer and Seller (the "**Contract**"). The Contract supersedes all prior discussions, negotiations and representations.

Buyer acknowledges that these terms and conditions of purchase shall prevail to the extent of any inconsistency with any other document, including any terms and conditions or any other document of similar nature issued by Buyer.

1. PREAMBLE. The preamble is an integral part of Industrie Desormeau's General Conditions of Purchase.

2. ACCEPTANCE. The Seller shall not be bound by the Contract unless the Purchase Order has been approved by an authorized representative of the Seller. The Contract shall be deemed to have been accepted by, and shall be binding upon, Buyer upon the earlier of (a) delivery of a signed copy of the Purchase Order to Buyer, (b) receipt of the Products by Buyer, or (c) payment of the purchase price (as hereinafter designated) of the Products by Buyer to Seller.

3. PURCHASE AND PURCHASE PRICE. Buyer agrees to purchase from Seller the Products described in the Purchase Order. In consideration of such Products, Buyer agrees to pay the amount agreed upon with Seller (the "**Price**"), together with any applicable taxes on the Price. The amount of any applicable taxes on the Price shall be paid by Buyer, unless Buyer provides Seller, prior to the payment deadline, with a certificate or other evidence of tax exemption recognized by the appropriate taxing authorities.

4. DELIVERY, OWNERSHIP AND ASSOCIATED RISKS. The quantity of Products delivered and invoiced by Seller may vary by plus or minus 10% from the quantity of Products ordered in the Purchase Order. An order so delivered shall be deemed complete.

Seller agrees to deliver the Products to the delivery address (the "**Delivery Point**") and on or about the delivery date specified in the Purchase Order. Buyer acknowledges that the delivery times set forth in the Purchase Order or in any other contractual document are for guidance only, are not binding and are subject to change.

Unless otherwise stipulated in the Purchase Order, Seller shall be responsible for the cost of delivery to the point of delivery of the Products.

All risk, including risk of loss or damage, shall pass to Buyer at the time the Products leave Seller's premises.

Title to the Products shall pass from Seller to Buyer when the Price is paid in full.

5. QUALITY CONTROL. Any requests by Buyer that deviate from industry standards shall be Buyer's sole and exclusive responsibility.

Seller ensures that the Products it distributes meet the ISO 9001 standard, representing one of the highest quality standards in the industry.

In the event of defects in the Products sold or in any of their components, Seller, at its option, may repair or replace the Products or their components at no cost to Buyer, or refund or credit the price paid. The foregoing shall apply provided that Buyer notifies Seller in writing of alleged defects in the Products within 90 days of delivery. Buyer shall give Seller the opportunity to inspect the Products and to determine the alleged defect(s) within a reasonable time after Seller's receipt of Buyer's written notice.

The foregoing provisions shall not apply where the defect(s) in the Products or their components was caused or aggravated by improper installation or use of the Product or unsafe use of the Products, or for other causes not attributable to Seller, including but not limited to accident or force majeure.

This clause 5 is in lieu of all other express or implied warranties that may apply to the Products and their components to the extent prescribed by law, including any warranty that is broader or more generous than this warranty.

6. PAYMENT. Buyer agrees to pay the Price, together with any applicable taxes on the Price, within 30 business days of receipt of invoice.

Any delay in payment of the Price in full shall result in interest at the rate of 12% per annum on the Price from the date payment is due. A grace period of 60 days will be granted to Buyer if it pays the Price in full within 60 days of the due date for payment.

7. RETURNED STANDARD PRODUCTS. Buyer is responsible for inspecting Products upon receipt to ensure compliance.

Products that are not defective and do not have a sales price request ("**Request for quote**") number may be returned to Seller within 90 days of invoice, provided that the return is authorized in advance by Seller. Notwithstanding the foregoing, Buyer agrees to pay the Price within 30 business days of receipt of invoice as set forth in Section 6. Buyer shall return the Products at its own risk and expense, in their original condition and original containers. To be eligible for return, the Products must also be free of any apparent defect. A return, inspection and handling fee of up to 25% of the Price may be charged for the return of the Products.

8. CANCELLATION OF ORDERS. Orders and sales contracts may not be cancelled or modified by Buyer, subject to an agreement with Seller whereby Buyer agrees to indemnify Seller for all costs incurred and all losses suffered as a result of cancellation or modification. Also, in the event of cancellation or modification of the order or contract due to Buyer's fault, Buyer shall compensate Seller for any damages incurred by Seller.

Seller reserves the right to unilaterally cancel any order or contract.

9. LIMITATION OF LIABILITY. To the extent permitted by law, Seller's liability in connection with the Agreement shall not exceed the Price. Seller shall also not be liable in any event and to the extent permitted by law for any direct or indirect damages arising out of delays in delivery of the Products or performance of Buyer's order or otherwise, including, but not limited to, additional revisions and negotiations of contract(s) or order(s) with Buyer or third parties, by suppliers and manufacturers with whom Seller does business, or in the event of accident, fire, labor dispute, force majeure or any cause beyond Seller's control, even if Seller is advised of the possibility of any such damage or loss or such damage or loss could have been reasonably anticipated.

Nor shall Seller be liable for labor costs or consequential damages arising out of the goods sold.

10. MANUFACTURED GOODS AND/OR SPECIAL ORDERS. All Products ordered with a DPV number are non-returnable and non-refundable and orders for such Products are not cancelable or changeable.

Buyer shall indemnify and hold Seller harmless from all damages, expenses, reasonable attorneys' fees and costs resulting from any claims of infringement or violation of patents, trademarks or intellectual or industrial property rights arising out of Seller's compliance with Buyer's specifications, designs or instructions.

11. EXPORTS. Buyer warrants that it will not export any Products in violation of applicable export control laws or regulations.

12. INTELLECTUAL PROPERTY. The sale of the Products does not convey any right or license, express or implied, to any of Seller's intellectual property rights in connection with the Products, including but not limited to patents, copyrights, trademarks and industrial designs.

13. WEBSITE. The information contained on the Desormeau Industries web site is for informational purposes only and the Seller shall not be held responsible for its content.

14. NOTICE. Any notice under the terms of the Contract must be given in writing and delivered by mail, e-mail or fax, and be addressed to

Industrie Desormeau
8195, Pascal-Gagnon St-Léonard (Québec) H1P 1Y5

Email address: vente@desormeau.com **Fax number:** 514.327.8002

15. PARTIAL INVALIDITY. Each provision of the General Terms and Conditions is a separate and distinct entity and any determination that any one provision is invalid or unenforceable shall not affect the validity or enforceability of any other provision.

16. IMPLIED WAIVER. The failure of a Party to insist upon full performance of any covenant under the Agreement or to exercise any right conferred upon it shall not be deemed a waiver of the performance of such covenant or right. Any waiver by a Party of a right conferred upon it under the Contract shall be effective only if made in a signed writing and shall be effective only with respect to the right and circumstances expressly covered by such waiver.

17. INCESSIBILITY. Buyer may not assign or delegate any right or obligation under the Contract without the prior consent of Seller, which consent shall not be unreasonably withheld.

18. AMENDMENT. The Contract may be amended only by written consent of Buyer and Seller.

19. GOVERNING LAW AND JURISDICTION. The Contract shall be governed by the laws of Quebec and the laws of Canada applicable therein, without regard to conflict of laws principles. The parties irrevocably submit all disputes arising or to arise in connection with this Agreement to the courts of Quebec, judicial district of Montreal.