

1. **Applicability.** These terms and conditions of sale (these "Terms") are the only terms which govern the sale of the goods ("Goods") more particularly described on the accompanying purchase order ("PO") by Precision Pulley & Idler Inc. ("Seller") to the purchaser of the Goods ("Buyer"). The PO and these Terms (collectively, this "Agreement") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Seller's general terms and conditions of purchase. **POs SHALL BE PROMPTLY FORWARDED TO SELLER ELECTRONICALLY AND ARE SUBJECT TO SELLER'S ACCEPTANCE AT ITS OFFICE IN VANCOUVER, BRITISH COLUMBIA BEFORE BECOMING BINDING ON SELLER.**

2. **Delivery.** Subject to the availability of finished Goods and unless otherwise specified by Buyer and agreed to by Seller, the Goods will be delivered within a reasonable time after receipt of the PO. Delivery shall be EXW Seller's plant in Vancouver, British Columbia (the "Shipping Point"). Title and risk of loss pass to Buyer upon delivery of the Goods to the Shipping Point. All shipments are insured at Buyer's expense and made at Buyer's risk and cost.

3. **Shipping Terms and Packaging.** The method and route of shipment, including packaging, are at Seller's discretion unless Buyer specifies otherwise and Seller agrees.

4. **Inspection and Rejection of Nonconforming Goods.** Buyer shall inspect the Goods within thirty (30) days of receipt ("Inspection Period"). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Nonconforming Goods during the Inspection Period. "Nonconforming Goods" means Goods that are different from those identified in the PO. Seller shall, at its option: (i) replace Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods. If Seller elects to replace the Nonconforming Goods, Seller shall, after receiving Buyer's shipment of Nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the conforming Goods. Any terms and conditions in the PO which deletes from, alters, or adds to these Terms will not be binding upon Seller unless such terms and conditions are expressly agreed to, in writing, by Seller.

5. **Price.** Buyer shall purchase the Goods from Seller at the prices (the "Price") agreed upon between Buyer and Seller. All Prices are subject to change without notice. All Prices are exclusive of any local, provincial, or federal taxes. Unless otherwise specified, all Prices and other amounts are stated in Canadian dollars.

6. **Payment Terms.** Unless otherwise agreed by Buyer and Seller, payment shall be net thirty (30) days from the date of Seller's invoice. Time is of the essence with regard to payment. As collateral security for the payment of the Price, Buyer hereby grants to Seller a lien on and security interest in and to all of the right, title and interest of Buyer in the Goods, wherever located, and whether now existing or hereafter

acquired, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds therefrom. The security interest granted under this provision constitutes a purchase money security interest.

7. **Non-delivery.** Seller shall not be liable for any non-delivery of Goods (even if caused by Seller's negligence) unless Buyer gives written notice to Seller of the non-delivery within five (5) days of the date when the Goods would have been received in the ordinary course of business. Any liability of Seller for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or adjusting the invoice respecting such Goods to reflect the actual quantity delivered.

8. **Limited Warranty.** Other than as to warranties otherwise expressly agreed to, in writing, by Buyer and Seller, Seller warrants to Buyer that: 1) for a period of twelve (12) months from the date of delivery of the Goods other than "specialty pulleys", Engineered Class pulleys, or ProDuty® pulleys; 2) the lesser of twelve (12) months or two thousand (2,000) hours of use for "specialty pulleys"; 3) two (2) years for Engineered Class pulleys or 4) ten (10) years for ProDuty® pulleys ("Warranty Period"), that such Goods will be free from material defects in material and workmanship, when used under normal load and operating conditions and installed and maintained properly. Warranties shall not apply to any Goods which have been subject to misuse, misapplication, accident, neglect, modification, repair, improper maintenance, improper storage or improper installation. Misuse includes, but is not limited to, deterioration by chemical action, wear by presence of abrasive material, or improper lubrication. System design is the sole responsibility of Buyer and excessive or undefined loads shall not be warranted. **EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THIS SECTION 8, SELLER MAKES NO WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE (EXCEPT AS MAY BE AGREED TO BETWEEN BUYER AND SELLER); (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE HEREBY DISCLAIMED.** Products manufactured by a third party ("Third Party Product") may be incorporated in, attached to or packaged together with, the Goods. **SELLER MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT (EXCEPT AS MAY BE SPECIFIED BY SELLER), ALL OF WHICH ARE HEREBY DISCLAIMED.** With respect to any such Goods during the Warranty Period, Seller shall, at its option, either: (i) repair or replace such Goods (or the defective part) or (ii) credit or refund the Price of such Goods. If Seller so requests, Buyer shall, at Buyer's expense (including but not limited to removal of the Goods and in-coming and out-going freight), return such Goods to Seller. **THE REMEDIES SET FORTH IN THIS SECTION 8 SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET**

9. **FORTH IN THIS SECTION 8.** Any action for a breach of warranty must be commenced within one (1) month following expiration of the applicable Warranty Period.

9. **Returns.** Goods may not be returned without prior written authorization by the Seller. Goods returned without prior written authorization will not be accepted. Expenses which result from the return of Goods must be borne by the Buyer. Returned Goods are subject to restocking charges plus outgoing and incoming freight charges. No cash refunds. Credit will be applied to future orders.

10. **Compliance with Law.** Buyer shall comply with all applicable laws, regulations and ordinances in carrying out its obligations under this Agreement. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits that it needs to carry out its obligations under this Agreement.

11. **Safety.** Seller disclaims any liability and Buyer agrees to fully indemnify Seller and its employees for all loss and expense, including attorney's fees, relating to any claim or liability or injury resulting from misuse, alteration, or the use of the Goods contrary to written instructions, including but not limited to those included in Seller's catalog. Seller recommends supplementing federal, Provincial and owner safety programs with ANSI B20.1-2015, "Safety Standards for Conveyors and Related Equipment," and ANSI spec z244.1-2003(R2014), "Control of Hazardous Energy – Lockout/Tagout and Alternative Methods" **NEVER OPERATE, ADJUST OR INSTALL EQUIPMENT ON A MOVING CONVEYOR.**

12. **Changes and Cancellations.** A request to cancel or change a PO must be made in writing at least thirty (30) days before the requested shipment date of the Goods and is subject to Seller's approval. Buyer acknowledges that a change, if accepted by Seller, may affect the Price and the delivery of the Goods. In the event of a cancellation or termination, Buyer shall, as a condition of such cancellation or termination, be obligated to pay Seller's reasonable costs and expenses incurred or committed prior to the date of such cancellation or termination plus a reasonable allowance for Seller's lost profits with respect to the Goods. Buyer agrees to pay such costs and expenses promptly upon receipt of Seller's invoice, which shall be submitted as soon as practicable after termination or cancellation.

13. **Limitation on Liability.** In no event shall Seller be liable to Buyer or any third party for any loss of use, revenue or profit, or for any consequential, indirect, incidental, special, exemplary, or punitive damages whether arising out of breach of contract, tort or otherwise, regardless of whether such damages were foreseeable and whether or not Seller has been advised of the possibility of such damages, and notwithstanding the failure of any agreed or other remedy of its essential purpose. In no event shall Seller's aggregate liability arising out of or related to this Agreement, whether arising out of or related to breach of contract, tort or otherwise, exceed the total of the amounts paid to Seller for the Goods sold hereunder.

14. Miscellaneous. Seller shall not be liable or responsible to Buyer, or be deemed to have defaulted or breached this Agreement, for any failure or delay in performing any term of this Agreement when and to the extent such failure or delay is caused by or results from circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire or earthquake. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties and neither party shall have authority to contract for or bind the other party in any manner whatsoever. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms. All matters arising out of or relating to this Agreement are to be governed by and construed in accordance with the internal laws of the Province of British Columbia without giving effect to any choice or conflict of law provision or rule (whether of the Province of British Columbia or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Province of British Columbia. Any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted in the courts of British Columbia located in the City of Vancouver, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action or proceeding. All notices, requests, consents, claims, demands, waivers and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the PO or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier, facsimile or certified or registered mail. Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination. The Agreement embodies the entire understanding between the parties with respect to the subject matter hereof and supersedes any prior agreement or understanding between the parties with respect to such matters. In the event that Seller hires an attorney to assert any of its rights or defenses in connection herewith or to collect amounts due, Buyer agrees to be responsible for all of Seller's legal fees and expenses as well as costs of collection.

USA
300 S.E. 14th Street
Pella, Iowa 50219
Office 641.628.3115
Fax 641.628.3658
Toll Free 800.247.1228

CANADA
3388 – 190th Street, Surrey
British Columbia Canada V3Z 1A7
Office 604.560.8188
Fax 604.560.8198
Toll Free 1.888.622.7277

CHILE
Av. Chena 11850 Parque Industrial Estrella del Sur
Santiago, Chile
Office (56-2) 2366.8100