

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

Definitions

In these General Conditions the following terms shall have the meaning set forth below.

“**Buyer**” means any person who has entered into a Contract with the Seller for purchase and supply of Deliverables.

“**Contract**” means an agreement entered into by the Buyer and the Seller for sale and supply of Deliverables, including the Seller's order confirmation, these General Conditions, any agreed specifications or any other agreement made in writing by the parties in relation to the Deliverables.

“**Deliverables**” shall mean the Goods and/or the Services, as applicable.

“**Goods**” shall mean the goods sold and delivered by the Seller to the Buyer under the Contract.

“**Seller**” shall mean Nefab AB and/or any of its affiliates.

“**Services**” means packing, storage and other logistic services as well as any other services agreed between the parties to be sold and provided by the Seller to the Buyer under the Contract.

APPLICABILITY

1. These General Conditions shall apply on all sales and supplies of Deliverables by the Seller to the Buyer. Deviations from these General Conditions shall not apply unless agreed specifically in writing by authorized representative of the Seller.

ORDERS

2. No Contract shall be considered as entered into until an order confirmation has been provided from the Seller to the Buyer. If the Buyer does not accept the order confirmation it must immediately notify the Seller thereof in writing. If no such notification is given by the Buyer within two (2) business days, the Buyer is bound by the price and other conditions contained in the Seller's order confirmation.
3. Orders by the Buyer for Deliverables may not be subject to cancellations or changes without the Seller's written consent. The Seller reserves the right to charge the Buyer for any costs and expenses incurred in relation to cancellations or changes of orders requested by the Buyer.

DELIVERY OF GOODS

4. The Buyer shall with due care make a customary inspection of the Goods upon delivery and notify the Seller in writing of any defects or shortcomings immediately and in no case later than five (5) business days after the delivery of the Goods. The notice shall contain a description of how the defect manifests itself. If the Buyer fails to notify the Seller of defects or shortcomings, which should reasonably have been discovered through customary inspection, in writing and within the above time limits, it loses its right to make any claim towards the Seller in respect of the defects or shortcomings.
5. Where a delivery term has been agreed in the Contract in relation to delivery of Goods, it shall be interpreted in accordance with the INCOTERMS in force at the formation of the Contract. If no trade term is specifically agreed, the delivery term shall be FCA (defined INCOTERMS 2012, as amended) to the place specified in the Seller's order confirmation.

6. Unless otherwise agreed in writing, the lead time stated in the Contract for delivery of Goods shall be taken as commencing on the date of the Contract.

The date of delivery shall be taken as the date on which the Goods, according to the agreed delivery term, are to be regarded as handed over.

PROVISION OF SERVICES

7. The Seller undertakes to provide the Services specified in the Contract during the service term and pursuant to the other terms and conditions set forth in the Contract.
8. In case the Services include storage of property of the Buyer on the Seller's premises to which the Buyer shall have access, the Buyer is not entitled to make any modifications to the facilities of the Seller. The Buyer shall, upon the request of the Seller and in connection with the entering into of the Contract, conduct a walkthrough of the relevant facilities to document the conditions thereof. At the expiration of the service term, the Buyer is liable to restore the facilities to such conditions.
9. In case the Services includes quality inspections of the Buyer's goods, the Seller shall, solely be liable to (i) conduct a general ocular inspection of the relevant goods; and (ii) report such defects or shortcomings which are clearly visible or easily observable by the Seller to the Buyer.
10. Such employees, representatives, agents, contractors etc. of the Buyer, as agreed in writing with the Seller at least one business day prior to the visit, (“Permitted Visitors”) will during normal business hours of the Seller be permitted access to relevant facilities on the Seller's premises in relation to the provision of the Services. The Buyer shall procure that the Permitted Visitors undertake to at all times comply with the Seller's instructions.
11. In case Services are to be provided by the Seller at the Buyer's or a third party's premises, such employees, representatives, agents, contractors etc. of the Seller, as notified to the Buyer, shall be permitted access at the agreed time and place to relevant facilities at the Buyer's or third party's premises for the purpose of providing the Services. The Buyer is responsible for securing that such premises fulfill the requirements necessary for the provisions of the Services and otherwise comply with all applicable laws and regulations, including but not limited to work environment. Delay in providing the necessary requirements from the Buyer will be subject to reasonable compensation to the Seller.
12. All right, title and interest in any of the Buyer's goods to be packed, shipped, handled, stored etc. by the Seller as part of the Services shall remain with the Buyer and any and all risk, including but not limited to loss or damage, in relation to such property shall remain solely with the Buyer.
13. The Buyer shall in relation to any property handled by the Seller as part of the Services maintain full insurance adequate to cover any such property on an “open peril” or “all risk” basis under a policy that grants a waiver of any insurers subrogation rights in relation to the Seller. Permitted Visitors should be covered by the Buyer's insurance coverage for all reasonable events or circumstances that could occur whilst at the Seller's facilities. The Seller may at any time request that the Buyer shall provide the Seller copies of its or relevant Permitted Visitors' certificates of insurance.

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

14. Following the expiration or termination of the service term (i) the Seller shall have no obligations towards the Buyer in relation to the provided Services, including property of the Buyer on the Seller's premises (except in case of breach of the Contract by the Seller); (ii) the Seller may charge the Buyer current market price for storage (as reasonably determined by the Seller) for any property or goods of the Buyer that remains on the Seller's premises; and (iii) either party may, at its own discretion, return to the Buyer, at the Buyer's costs and risk, the property or goods of the Buyer remaining at the Seller's premises.
15. Subject to clause 38, in case the Seller fails to carry out the Services in accordance with the Contract and does not remedy such failure within thirty (30) business days following the Buyer's written notice to the Seller specifying the failure in reasonable detail, the Seller undertakes, as exclusive and only remedy, to compensate the Buyer for direct damages it has suffered due to the failure, provided that the failure is not solely of a minor significance to the Buyer.
16. For the avoidance of doubt, the Seller has no liability for failure in providing the Services (including delay in delivery) to the extent the failure is directly or indirectly attributable to the Buyer (including its employees and representatives) or any third party engaged by the Buyer.
17. The Buyer agrees to defend, indemnify and hold harmless the Seller and its employees and representatives from and against any and all claims, loss, damage, cost or expense resulting from breach of or other non-compliance with applicable rules and regulations, the Seller's instructions in relation to Deliverables, or the general misuse of any Deliverables, including but not limited to, death, personal injury, bodily injury and damage to property and the environment.

PRICE AND PAYMENT

18. The applicable prices for the Deliverables are set forth in the Contract. All prices are net taxes, VAT, customs duties and other similar levies or costs, unless otherwise provided in the agreed delivery term or set forth in the Contract.
19. Payment terms: 30 days net from the date of invoice.
20. Delayed payment shall carry penalty interest with 2% per month on any outstanding amount. Any part payment shall first be deducted from the penalty interest due.
21. If the Buyer fails to pay by the due date, the Seller may suspend further performance of its contractual obligations until full payment of all outstanding invoices are made.

If the Buyer has failed to pay the amount due within 60 days after the due date, the Seller may terminate the Contract by giving written notice to the Buyer. The Seller shall furthermore be entitled to full payment for the Deliverables even if it has not been delivered in full and, in addition, to interest on late payment as well as to claim compensation for all the losses suffered.

RETENTION OF TITLE

22. The Goods shall remain the property of the Seller until paid for in full, to the extent that such retention of title is legally valid.

INTELLECTUAL PROPERTY

23. The intellectual property entailed in or related to the Deliverables shall at all times be the property of the Seller. Consequently, nothing in the Contract shall be construed as transferring any intellectual property in connection with the sale and delivery of the Deliverables. Consequently, the intellectual property entailed in the goods or in the packaging solutions provided by the Seller will never form part of a Contract and will thus always remain the sole property of the Seller, unless so expressly agreed in each individual case and the Buyer has paid separately and specifically for the specific intellectual property.

DELAYED DELIVERY OF DELIVERABLES

24. If the Seller finds that it will not be able to meet the agreed delivery date in relation to the delivery of Deliverables it shall notify the Buyer thereof in writing, stating the cause of the delay and indicating the date on which it expects to be able to deliver.
25. Should a delivery or part-delivery of Deliverables be delayed because the Seller has materially neglected its obligations to begin work or to take other steps within such a time that it can effect delivery of the Deliverables by the due date, the Buyer shall be entitled to cancel the Contract upon giving written notice thereof to the Seller, although such cancellation may be resorted to only if the delay is of material significance to the Buyer and the Seller has realised or should have realised this.

The Buyer may, regardless of the cause of the delay, not cancel a Contract if it has not objected to a prolonged delivery time upon receiving notice from the Seller in accordance with clause 24. If the Buyer has raised such objection, the Seller shall have reasonable time to deliver.

26. If the Buyer does not take delivery of the Goods on the agreed delivery date, the Buyer is liable for every cost, loss and expense incurred by the Seller as if the Goods in question had been delivered. The Seller shall, if the Goods are still in the hands of the Seller, arrange for the Goods to be stored at the Buyer's risk and expense. The Seller may also, at its sole discretion, terminate the Contract and/or claim damages for cost, loss and expense suffered in relation hereto.

LIABILITY FOR DEFECTS IN THE GOODS

27. The Seller undertakes to deliver the Goods in the condition agreed to between the parties and free from faulty design, materials and workmanship in relation to the specifications of the Goods.
28. The Goods shall be regarded as defective if not in compliance with clause 27. In case of defective Goods the Seller shall remedy the defect by way of (at the Seller's choice) either repairing or replacing the Goods at the Seller's own cost or by refunding the purchase price paid to the Seller for such defective Goods.
29. The Seller's liability for defects does not cover defects caused by circumstances, which arise after the risk has passed to the Buyer, nor does it cover normal wear and tear or deterioration. Furthermore, the Seller's liability does not cover defects due to mishandling, overloading or otherwise attributable to the Buyer or third parties.
30. The Seller's liability is limited to defects which appear within a period of three (3) months from the date of delivery of the Goods, unless the Goods are intended to be used within a

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

shorter period of time in which case the liability is limited to defects which appear within the intended period of use.

For parts of the Goods, which have been repaired or replaced under clause 28, the Seller shall have the same liability for defects as for the original Goods for a period of three (3) months. For other parts of the Goods, the liability period referred to in paragraph one shall be extended only by the period during which the Goods could not be used due to a defect for which the Seller is liable.

Regardless of the provisions of clauses 28-34, the Seller shall have no liability for defects in any part of the Goods or any claim, cost, damage or expense related thereto for more than two (2) years from the original delivery date. In addition, the Seller shall have no liability what so ever for any defects in any Goods or any claim, cost, damage or expense related thereto (i) if Goods is used on multiple occasions and/or for multiple trips if such Goods is delivered as expendable packaging, (ii) if Goods in any way or part is used for or in transports which the Goods is not originally intended for, or (iii) the Goods in any other way is used in breach of the Buyer's instructions or for any other purpose than the Goods was originally delivered for.

31. After receipt of a written notice under clause 4, the Seller shall remedy the defect without undue delay. The Seller shall bear the costs as specified in clauses 28-34. Remedial work shall be carried out at a location of the Seller's choice. If the Buyer gives such notice as referred to in clause 4, and no defect is found for which the Seller is liable, the Seller shall be entitled to compensation for work and costs incurred as a result of the notice.

32. If remedy of the defect in the Goods requires intervention in other equipment than the Goods, the Buyer shall be responsible for any work or costs caused thereby.

33. All transports in connection with repair or replacement of Goods shall be at the Seller's risk and expense. The Buyer shall follow the Seller's instructions regarding how the transport shall be carried out.

The Buyer shall bear the increase in costs for remedying a defect which the Seller incurs when the Goods are located elsewhere than at the destination stated in the Contract or – if no destination has been stated – the place of delivery.

34. If the Seller fails to fulfil its obligations under clause 31 within a reasonable time, the Buyer may by written notice require it to do so within a final time period. If the defect is substantial or of the defect is not remedied within the final time period, the Buyer may instead terminate the Contract by written notice to the Seller.

35. The Seller shall have no liability for defects save as expressly set forth in clauses 28-34.

LIMITATION OF LIABILITY

36. The Seller shall have no liability for damage to property or physical persons caused by any Deliverable. If a third party lodges a claim for compensation against the Seller or the Buyer for loss or damage referred to in this clause, the other party shall forthwith be notified thereof in writing.

37. It is acknowledged and agreed that the representations and warranties set forth in these General Conditions in relation to the sale and supply of the Deliverables are exclusive and in lieu of all warranties of quality and performance, written, oral

or implied, whether in contract tort, negligence, strict liability or otherwise. All other representations or warranties, including but not limited to any future performance warranties and any implied warranties of merchantability and fitness for a particular purpose, are hereby disclaimed.

38. IN NO EVENT SHALL THE SELLER BE LIABLE FOR ANY CONSEQUENTIAL OR INDIRECT DAMAGES, INCLUDING, BUT NOT LIMITED TO, COSTS FOR THIRD PARTIES (E.G. END CUSTOMERS), LOSS OF PROFIT, LOSS OF GOODWILL, COST OF CAPITAL AND COSTS INCURRED IN CONNECTION WITH SUBSTITUTE SOURCES OF SUPPLY. FURTHERMORE, IN NO EVENT SHALL THE AGGREGATE LIABILITIES OF THE SELLER EXCEED THE PURCHASE PRICE ACTUALLY PAID BY THE BUYER TO THE SELLER WITH RESPECT TO THE DELIVERABLES IN QUESTION.

GROUND FOR RELIEF (FORCE MAJEURE)

39. The following circumstances shall constitute grounds for relief if they impede the performance of the Contract or makes performance unreasonably onerous and could not reasonably be foreseen: industrial disputes and any other circumstance beyond the control of the parties, such as fire, war, mobilisation or military call up of a comparable scope, requisition, seizure, trade and currency restrictions, insurrection and civil commotion, shortage of transport, general shortage of materials, restrictions in the supply of power and defects or delays in deliveries by sub-contractors caused by any such circumstance as referred to in this clause.

40. The party wishing to claim relief under clause 39 shall without delay notify the other party in writing on the intervention and on the cessation of such circumstance.

If grounds for relief prevent the Buyer from fulfilling its obligations, the Buyer shall reimburse the expenses incurred by the Seller in securing and protecting the Goods.

41. Notwithstanding other provisions of these General Conditions, either party shall be entitled to terminate the Contract by notice in writing to the other party, if performance of the Contract is delayed more than six months by reason of any grounds for relief as described in clause 39.

CONFIDENTIALITY

42. All information exchanged or otherwise transferred between the parties during the term of the Contract shall be treated as confidential, not be disclosed to any third parties and only used for the purposes of the Contract.

DISPUTES, APPLICABLE LAW

43. Any dispute, controversy or claim arising out of or in connection with these General Conditions and any Contract, or the breach, termination or invalidity thereof, shall be finally settled by arbitration under the Arbitration Rules of the ADR Institute of Canada, Inc. The arbitral tribunal shall be composed of three arbitrators. The seat of arbitration shall be the Province of Ontario, Canada. The language to be used in the arbitral proceedings shall be English.

44. The laws of the Province of Ontario and the federal laws of Canada applicable thereto shall be the substantive law which

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

shall apply for these General Conditions and Contracts as well as any disputes relating to these.

DATA PROTECTION

45. Data subject to data protection laws may be provided by the Buyer to the Seller and will in such case be processed by the Seller in order to manage the existing business relationship between the Buyer and the Seller, to provide the Deliverables and related products and services, and for administrative and marketing purposes. The Seller shall only process the data in accordance with applicable law. Upon written request the Seller will correct any data that is incorrect, incomplete or misleading. The Seller will also, once per year and free of charge upon written request, give information on what personal data that is processed about the requesting registered company or person.
46. Should the Seller under applicable law be considered as a personal data processor on behalf of the Buyer, the Seller undertakes to take appropriate technical and organizational measures to protect the data as required by applicable law.

QUOTATIONS

47. Quotations are subject to the following Terms and Conditions
 - a. **PRICING / REVISION:** Quotations are only valid in writing and for thirty (30) days from the date of the quotation unless otherwise notified. Changes to specifications, quantities, delivery specifications or terms and conditions will require a new quote.
 - b. The prices quoted herein are based upon existing internal and external conditions and are subject to withdrawal without prior notice to Customer unless otherwise specifically stated in the quotation.
 - c. **ERRORS:** Any errors incorporated in or appearing on this quotation are subject to correction.
 - d. **CREDIT:** Quotations are made subject to approval by Seller of Customer's credit. Seller shall have no obligation to sell or deliver Products or Services covered by Seller's quotation unless and until Seller issues an order acknowledgement form or upon the shipment of Products or commencement of Services by Seller
 - e. **TECHNICAL DATA:** All physical properties, statements and recommendations are either based on the tests or experience that Seller believes to be reliable, but they are not guaranteed.
 - f. **RELIANCE ON INFORMATION FURNISHED:** In preparing and submitting quotations Seller relies on the correctness of information provided by the Customer, whether in written, electronic or verbal format. Customer shall use reasonable care to insure the correctness of all such information and shall indemnify and hold the Company harmless from any and all claims asserted and/or liability or losses suffered by reason of the Customer's failure to disclose information or any incorrect or false statement by the Customer upon which Seller reasonably relied.
 - g. **CUBE RATE QUOTATIONS.** Quotations based on a generic “cube rate” table are for general reference only. Cube rate quotations are based on generic assumptions regarding

length, width and height proportions, total height, total length, total weight, weight distribution and lifting requirements. Cube rate quotations do not include considerations for a number of requirements including, but not limited to, product support, product constraints, packaging of over size products, or specialized packaging requirements such as vapor barriers, water proofing or shock isolation. Actual pricing may be higher OR lower than quoted; Seller will provide a detailed quote based on specific requirements upon request.

CLAIMS

48. Customer's claim on discounts or allowances applicable to any invoice of Seller shall be deemed waived unless made within 12 months of invoice date.

SETOFF

49. Seller shall be entitled to setoff any amount owed by Customer to Seller or to any of Seller's affiliates against any amount payable by Seller in connection with this Agreement.

NON-SOLICITATION OF PERSONNEL

50. During the term of the Agreement and for two (2) years after its expiration or termination, neither Party shall actively solicit the employment of any employee of the other Party, which employee was engaged in the performance of the Agreement. Notwithstanding the foregoing, neither Party shall be precluded from conducting general recruiting activities, such as participating in job fairs or publishing advertisements for general circulation. The soliciting Party who violates this Section shall pay to the other Party an amount equal to one (1) year's salary for any solicited employee as liquidated damages. The amount of annual salary shall be the annual salary in effect at the date the employee was solicited. The Parties agree that such amount is a reasonable estimate of the damages to be suffered by the aggrieved Party in such an event, which damages would be difficult to ascertain, and that such amount is not intended to be a penalty.

GENERAL LIEN AND RIGHT TO SELL CUSTOMER'S PROPERTY

51. Seller shall have a general and continuing lien on any and all property of Customer coming into Seller's actual or constructive possession or control for monies owed to Seller with regard to the shipment on which the lien is claimed, a prior shipment(s) and/or both.
52. Seller shall provide written notice to Customer of its intent to exercise such lien, the exact amount of monies due and owing, as well as any on-going storage or other charges; Customer shall notify all parties having an interest in its shipment(s) of Seller's rights and/or the exercise of such lien.
53. Unless, within thirty days of receiving notice of lien, Customer posts cash or letter of credit at sight, or, if the amount due is in dispute, an acceptable bond equal to 110% of the value of the total amount due, in favor of Seller, guaranteeing payment of the monies owed, plus all storage charges accrued or to be accrued, Seller shall have the right to sell such shipment(s) at public or private sale or auction and any net proceeds remaining thereafter shall be refunded to Customer.

INDEPENDENT CONTRACTOR

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

54. Seller is an independent contractor under the Agreement. Each Party shall comply with all payroll tax withholdings, social security, unemployment and related employer obligations applicable to it. Except as set forth in a duly authorized Power of Attorney, neither Party shall hold itself out as an agent of or in a joint venture with the other Party, nor either Party shall have authority to act on behalf of the other Party.

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

Addendum

1. **HAZARDOUS MATERIALS.** Those items that are received for packaging or containerization whereby the Buyer has chosen not to pay for one-hundred percent inspection by Seller will be considered to be free of hazardous goods unless the packing list identifies these materials or where labels identify these materials. The exception to this shall be where cartons or boxes shows evidence of leakage requiring inspection or where the carton or box has been left open and items within view are questionable in nature. We shall at that time, notify the Buyer that these items require special packaging and documentation and the Buyer shall make the decision to package these items in accordance with the prescribed specification accordingly or pay to have said items disposed of. Seller shall not incur or be responsible for any charges including but not limited to container demurrage or air freight shipping charges as a result of shipper not supplying material safety data sheets in advance of materials being delivered for packaging. At that time the pricing for packaging hazardous materials shall be based on a time and materials basis since packing group and classification determine the materials required as well as the fact that air freight typically requires substantially more packaging materials. Seller shall not ship any materials suspected to be hazardous.
2. **TRANS-LOADING OVERSIZE EQUIPMENT(OVERHEAD LIFTING).** Rates for trans-loading machinery or equipment from inbound containers or flat racks to the ground for storage or to trucks for delivery are based upon the item being designed to be lifted from overhead using wire ropes or slings. In the event that provisions are not made to lift in this manner, the original quotation shall no longer be valid. Seller shall request the Buyer provide a sketch or drawing providing lift instructions and after advising the Buyer of the situation, and additional charges, and upon approval may utilize a third party crane company or rigging company to lift the equipment or machinery.
3. **FORKLIFT LIFTING.** On items where we are to use a forklift to lift, the machinery or equipment must have skids or runners placed under the equipment or machinery so we are not forced to elevate a portion of the item. If no such provisions are made for lifting in this manner, the original quotation shall no longer be valid. Based upon the characteristics of the equipment or machinery Seller may at its discretion determine if they can safely lift the item from one end to place blocking in place to facilitate extending forklift blades under the item for safe movement. If Seller determines the item cannot be lifted without compromising safety or damage to the equipment or machinery, Seller will advise the Buyer of the situation and additional charges, and upon approval may utilize a third party crane company or rigging company to lift the equipment or machinery.
4. **CONTAINERIZING BOXES OR CRATES NOT PACKAGED BY Seller.** Seller shall not be held responsible for damage to contents in boxes or crates pre-packed prior to arrival at Sellers location for the purpose of de-vanning and distribution, consolidation for container or flatrack loading. External damage to boxes and crates shall be noted on receiving documentation. When loading pre-packed boxes or crates on flatracks or in containers at the request of the Buyer and in the event the box or crate fails to hold loads imposed on top when stacking to maximize the available space or cube, Seller shall not be responsible for any damage to contents or the cost to repackage the items. Seller shall not be held responsible
- for any hazardous materials not disclosed on documentation being shipped internationally in pre-packed boxes.
5. **ON SITE PACKING.** If the Buyer has provided dimensions for box/crate fabrication and upon arrival, the boxes/crates are too small to accommodate part size; the Buyer will be responsible for cost to re-size the crate to accommodate the part size. If the boxes/crates cannot be resized to safely protect the items, the Buyer shall be responsible for paying for the incorrect size boxes/crates as well as new boxes/crates to accommodate the parts as well as any standby time, travel time. An expedite fee to fabricate new boxes/crates will apply as well as delivery cost. In the event the delay causes employees to work past their scheduled shift, Buyer will be charged a differential labor rate to offset these costs. In the event the Buyer has agreed to provide a forklift for lifting boxes and machinery to be packaged and a forklift is not made available at the time the crews/materials arrive at the on-site location, standby time shall be based upon the number of men waiting for the forklift until one becomes available. In the event the delay causes employees to work past their scheduled shift, Buyer will be charged a differential labor rate to offset these costs. If a forklift does not become available and the crews are scheduled to perform an on-site job at a different location, standby charges will be charged and a second on-site fee will be charged to return to the job site when scheduling permits. When on site crews from Seller are presented more items to package than have been originally represented on the quotation/work order, they will be given the opportunity to have the sales representative revise the price in writing or the additional materials will not be packed.
6. **EXPORT PACKING / NOT COMPLETELY WATERPROOF.** Buyer is hereby advised that while export packing is designed to shed water away from the contents of the item being export packed as well as protect items from pilferage and exposure to dust, dirt and other debris, it is not considered to be a completely waterproof package. Items that have critical surfaces or electrical items susceptible to rust or corrosion should be method II / vacuum packaged with a moisture barrier/desiccants to further protect these items. Skidding Vacuum Packaged Items. While Seller understands the need to reduce cost on certain aspects of shipping, by not placing a fully enclosed box around an item that has been vacuum packed exposes the bag to puncture risk, Seller will not stand behind any performance expectation on items which the Buyer has chosen to ship items in this configuration.
7. **VACUUM PACKING VERSES EXPORT PACKING ON ELECTRONIC ITEMS.** When Seller recommends vacuum packing with foil barriers and desiccants to protect electronics or highly polished surfaces and the Buyer declines to protect items based upon these recommendations, Seller shall not be responsible for any damages from rust, corrosion or water damage to these items.
8. **SHOCK ISOLATION PACKAGING.** When Seller recommends items susceptible to damage from excessive vibrations or impact be packaged using floatation bases or lining boxes with foam and the Buyer declines to protect items based upon these recommendations, Seller shall not be responsible for

NEFAB GENERAL CONDITIONS OF SALE OF GOODS AND SERVICES (THE “GENERAL CONDITIONS”)

Valid from 2015-09-01

any damages to these items including but not limited to replacement or calibration cost.

9. **CENTER OF GRAVITY.** When the center of gravity is marked on a piece of machinery or crate, Seller shall load the flatrack, container, or truck according to these marks. If the Buyer instructs Seller to load otherwise, it shall be in writing. In the event that the marking or verbal instructions are incorrect, Seller shall not be responsible for fines by the department of transportation or rejection at the port or in the event that a load is tipped over during the transportation of the load. When the center of gravity is not marked on the machinery or crate, Seller shall determine or estimate the physical center of the machine or crate.

10. **ISPM-15 PHYTOSANITARY WOOD PACKAGING MATERIALS.** When Seller is notified by the Buyer that the boxes or crates being fabricated by our facility have a destination to a country requiring ISPM-15 compliance, all lumber shall be heat treated or fumigated and stamped with the appropriate stamp indicating compliance. On those countries requiring not only ISPM-15 compliance but bark free lumber, the Buyer shall be responsible for notifying Seller in advance of ordering boxes, crates, container blocking so a higher quality of lumber can be procured or lumber hand selected to meet these criteria. When loading containers or flatracks with pre-packed boxes, crates or pallets, Seller will inspect these items for compliance stamp and notify Buyer if they do not meet the specifications. If the Buyer instructs Seller to ship noncompliant lumber products to destinations having these requirements, it shall be in writing and Seller shall not be responsible for any demurrage, shipping, disposal or penalty charges as a result.

11. **FLATRACKS REQUIRING ANNEX 13.** Due to the fact the each shipping line has different lashing requirements, the Buyer specifically needs to inform us of any special tie down or blocking requirements specific to that shipping line. For example: COSCO requires that the tie down material be able to be re-tensioned such as chains with binders, cable with turnbuckles. We also need to be advised if “H” blocking need to be incorporated on the ends of the load. If the unit is track or wheel mounted, outriggers may be required to suspend a portion of the load extending past the outside rails of the flatrack. This is especially true on tire mounted vehicles to prevent sag or slippage as the rubber tires will press towards the unsupported portion. Standard rates are not sufficient for those loads requiring ANNEX 13 where the load must be secured by means of tensioning from the tie down point to the opposing side of the flatrack and returning to the originating point. This step is repeated from both sides of the flatrack to prevent side to side movement.

12. **WEIGHT.** Seller shall base quotations and box, crate and skid design based upon weight communicated by the Buyer. The same criteria shall be used to configure loads for containers and flatracks. These pre-provided weights shall then be added to the packaging material weights to determine the gross weights. Seller shall not be responsible for fines by the department of transportation or rejection at the port or in the event that the load is determined to be overweight. Seller shall not pay for additional permits or transportation charges to return the materials to Seller's yard for corrective action. Seller will not be responsible in the event that local authorities

detain a load for being overweight and demand that the load be adjusted by removing freight or items to obtain a legal weight.

13. **TRANSPORTATION OF ITEMS PACKED BY Seller.** Items packaged, skidded or crated must have a minimum of seventy percent contact with the truck bed or dunnage blocking supported by the trailer to insure the integrity of the load or Seller assumes no liability. Box integrity can be compromised creating potential damage to the product in the package and loss of life during transport or during crane lifting at the port due to trucking companies having limited carrying capacity.