

1.0 ACCEPTANCE OF THE CONTRACT

The buyer and Seller agree that these Terms & Conditions of Sale ("Terms") shall apply and be incorporated by reference into all transactions between the parties for the purchase of goods and services ("Product"). The buyer accepts the Terms by: signing any of the transaction documents including Standard Forms, giving permission to proceed with an order, using the product or service or allowing others to do so, making any payment for the product or service.

1.1 MODIFICATION

The parties acknowledge that standard business forms including but not limited to purchase orders, request for quotations, and acknowledgments ("Standard Forms") may be used by the buyer in the ordinary course of business. The parties shall use Standard Forms only to facilitate transactions by defining the product, quantity, price, and destination. Standard Forms may include other terms that shall not alter or modify in any way this agreement. Any contrary or conflicting terms in the Standard Forms shall be deemed material and rejected by both parties and void. No modifications of these Terms will be effective unless in writing referencing these Terms and to be by an authorized representative of seller.

1.2 INTENDED PURPOSE

Product will be quoted and supplied according to information provided by the buyer. It is the responsibility of the buyer to correctly identify the application or process operating conditions and to verify that the Product is suitable for the intended purpose.

1.3 RESTRICTIONS

It shall be the responsibility of the buyer to identify any restrictions that may prevent the entry or usage of the products at destination.

1.4 DOCUMENTATION

Seller will provide free of charge one copy of the manufacturers mill test report (unless otherwise agreed to in writing), one copy of the manufactures generic dimensional drawing and one catalogue when requested and where available (In English). Requests for additional copies (other languages if available) of one or more of the aforementioned may be subject to additional charges.

1.5 TERMS OF SALE

All prices for products shipped or sold internationally are in US dollars unless otherwise stated. All quotes are based on prepayment unless noted otherwise. Seller reserves the right to request that payments be made by irrevocable letter of credit or any other form of documentary credit.

1.6 OPEN ACCOUNTS

Open accounts are subject to credit approval by the sellers credit department and will require a credit application be completed and submitted to same by the buyer. Unless agreed to in writing by a member of the sellers credit department, all open accounts terms of sale are net 30 days from invoice date. Accounts with overdue invoices in excess of 60 days from invoice date will result in suspension of the account. Seller reserves the right to charge a service charge on any invoices outstanding greater than 60 days from invoice date at a rate of 26.82% per year (or 2% per month). Seller reserves the right to request of buyer a "payment bond" to be issued to seller and held in trust to secure payments on any open accounts.

1.7 SECURITY INTEREST

Seller reserves a security interest in the products and in any proceeds until paid for in full.

1.8 TAXES

Prices are exclusive of any federal, provincial, local tax applicable on the sale, manufacturing, or delivery. If any tax is deemed applicable the tax will be calculated at the rate in effect at the time of shipment and will be the responsibility of the buyer.

1.9 DELIVERY/INCOTERMS

Any reference made to trade terms (such as EXW, FCA, FOB, etc) shall be deemed to be made to the relevant term of INCOTERMS published by the most recent publication by the International Chamber of Commerce. Freight, duty, insurance and risk of loss shall be determined in accordance with the INCOTERM listed on the invoice.

2.0 CANCELLATION/RE STOCKING

Buyer shall have no right to cancel or modify any order without Seller's written consent and payment to Seller of all applicable cancellation or restocking fees including return freight. Special ordered items may not be canceled or returned, and no refund will be made. Returns accepted by Seller must have a Return Authorization (RGA) number issued to the buyer by the seller.

2.1 INDEMNIFICATION

Each party ("Indemnitor") shall indemnify, hold harmless and defend the other along with its employees, officers, directors and agents ("Indemnitee") from any suit, cause of action, judgment or claim ("Claim") for damages to property or bodily injury, loss of life, liability of any nature, costs, or expenses including reasonable attorney fees ("Damages") to the extent caused directly by the negligent act or omission of the Indemnitor. Indemnification shall not apply to Damage proximately caused by the negligence of the Indemnitee.

2.2 WARRANTIES

Compare with plans and specifications, as they are not guaranteed to agree. The seller warrants only its title to the goods. All other warranties are those of the manufacturer. The seller assigns to the buyer any warranty provided by its suppliers and by the manufacturer. The buyer waives any right to legal action against the seller for damage caused by the Products which includes and not limited to environmental damages. Any warranty is void if there has been misuse, accident, modifications, unsuitable physical or operating environment, improper maintenance, storage or installation. Buyer's sole and exclusive remedy from seller shall be repair, replacement or refund of product returned during the manufactures warranty period. SELLER DISCLAIMS ALL OTHER EXPRESSED OR IMPLIED WARRANTIES INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OR MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE. SELLERS LIABILITY, IF ANY, TOWARDS THE BUYER ARISING FROM THE AGREEMENT IS LIMITED TO THE DIRECT DAMAGE UP TO THE MAXIMUM OF THE PURCHASE PRICE OF THE PRODUCT OR SERVICE. SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, LIQUIDATED OR CONSEQUENTIAL DAMAGES.

2.3 FORCE MAJEURE

Seller will not be liable for delay or failure of performance due to any cause beyond its reasonable control including but not limited to act of God, war, Labor difficulties, inability to obtain materials, or delays of carriers.

2.4 PERFORMANCE BONDS/LIQUIDATED DAMAGES

Any reference to performance bonds or liquidated damages must be approved by the sellers authorized representative in writing. Performance bonds or stand by letters of credit et cetera will be issued (if agreed by the seller) by a bank of the seller's choice in Sellers format only and pursuant to the laws of the country, province or state of the issuing bank and subject to ISP98 rules. Seller reserves the right to charge buyer for the cost of issuing said bonds or letters of credit for performance, warranty or delivery purposes.

2.5 DECLARATIONS/LIEN RELEASE

Seller does not provide statutory declarations to its customers regarding payments made to its vendors. Seller shall release lien rights only upon receipt of payment in full.

2.6 DISPUTE RESOLUTION

In the event of a dispute, the parties for a period not to exceed fifteen (15) calendar days following notice by one party to the other party that a dispute exists, endeavor to resolve such dispute through good faith negotiations. In the event that the parties fail to resolve their dispute, the alleged breach or dispute shall be submitted to binding arbitration prior to filing suit under the applicable arbitration rules of the (1) ADR Institute of Canada, Inc. for matters between parties domiciled in Canada, or (2) International Chamber of Commerce, for matters where at least one party is not domiciled in Canada. The arbitration shall be conducted in the English language. Arbitration shall be the sole and exclusive remedy with respect to any such dispute or alleged breach. These proceedings shall be private and confidential. The findings of the arbitrator shall be binding on both parties. The arbitrator shall have no power to add to, detract from, or alter these Terms. Rulings of the Arbitrator are enforceable in any court of competent jurisdiction. The cost of the Arbitrator shall be borne equally. Each party will pay its respective attorney's fees.

2.7 GOVERNING LAW

This agreement shall be governed according to the laws of Ontario and the Federal Laws of Canada. The parties specifically exclude the application of the provisions of the United Nations Convention on contracts for the international sale of goods.

2.8 SEVERABILITY & WAIVER

If any provision is found to be unenforceable by a court of competent jurisdiction, such provision will be struck and the balance shall be valid and in force as if the severed provision had not formed part of the agreement. The seller's failure to insist upon strict compliance shall not be deemed to be a waiver of any right. Any waiver by seller must be in writing signed by the seller's authorized representative, and such waiver shall not constitute a waiver of any other default under the order.

2.9 ASSIGNMENT

Neither party shall assign its rights or obligations under any order without the written consent of the other unless to a parent, subsidiary or affiliate with similar creditworthiness characteristics.

3.0 CONFIDENTIAL INFORMATION

Without prior written consent of the seller, buyer shall neither disclose to any third party, nor use for the purpose other than those contemplated by the order, any information pertaining to the existence of Terms including, but not limited to, the quantity, description or price of the products.

For further information about Meridian's products and services please visit our website at www.meridianvalve.ca or call 1-800-661-6997.