



TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE OF ORDER

Orders are accepted only subject to the conditions specified by the Pouch Machine Corp. in relation to the products in question and the conditions of sale. Unless expressly accepted in writing on behalf of the Pouch Machine Corp. by an employee thereof with actual authority, any qualification or modification of these conditions by the Buyer in any written or printed document or otherwise should be of no effect.

2. PRICES

Orders are accepted only on condition that products will be invoiced according to the terms listed in the quote. In the event of an order being cancelled, after work has commenced, the Buyer will indemnify Pouch Machine Corp. against all expenses and loss incurred by the Pouch Machine Corp.

3. DESIGN

All goods delivered will generally be to the specification furnished or adapted by the Pouch Machine Corp. Except where the goods are manufactured solely to the Buyer's designs, drawings and specifications, the Pouch Machine Corp. reserve the right to make any alteration in the design or specification of any product without notice and to deliver goods conforming to the altered design or specification in fulfilment of any order.

4. FORCE MAJEURE

Should despatch of delivery of any products or part of them be delayed or prevented or for a reason attributable to the Buyer or its Buyers or agents then, at the Pouch Machine Corp. option, either the contract or any fulfilled part thereof shall be terminated or the Pouch Machine Corp. may extend the time for delivery until a reasonable period after such cause shall have ceased, in which event the Buyer shall be responsible for all storage and other cost incurred by the Pouch Machine Corp. in connection therewith. Any such termination shall not prejudice the rights and obligations of either party which have already arisen or in respect of any part of the contract already completed.

5. SHORTAGES, DAMAGE AND LOSS IN TRANSIT

No claim for non-delivery of the whole or part of the consignment nor for damage in transit, shortage of delivery, deviation, delay or detention will be entertained unless separate notices in writing are given to the carrier and Pouch Machine Corp. concerned within three days of the receipt of the products, or in the case of the non-delivery of a complete consignment within fourteen days of despatch, and in either case a complete claim is made in writing within a further five days of the date of such specification.

6. LIABILITY

The Pouch Machine Corp. shall not in any circumstances be liable for injuries, losses expenses or damage direct, indirect or consequential sustained by the Buyer or any person which may in any degree be attributable to the adoption either by the Buyer or by any third party of technical or any other information, date or advice given by or on behalf of Pouch Machine Corp. or however otherwise caused in relation to the use of its regularly in accordance with the Pouch Machine Corp.s recommendation.

7. BUYERS BANKRUPTCY OR LIQUIDATION

Without prejudice to any common law or statutory rights which Pouch Machine Corp. may have, the Pouch Machine Corp.

reserves the right to terminate the contract (in relation to the whole or any part thereof remaining unfulfilled) forthwith if:-

(a) Any payment shall be overdue in respect of this or any other contract between the Buyer and the Pouch Machine Corp. provided that the Pouch Machine Corp. may, as its option, come without prejudice to its rights of termination, delay or suspend deliveries hereunder whilst any such payment shall be outstanding.

(b) The Buyer shall commit any act of Bankruptcy or shall suffer any execution or distress to be levied on his goods or shall enter into liquidation (whether compulsory or voluntary save for the purpose of and followed by reconstruction or amalgamation) Pouch Machine Corp. shall have a receiver appointed provided that in any such event and without prejudice to the right of termination the Pouch Machine Corp. shall also have a general lien upon all materials or goods that the Buyer has in his possession (whether paid for or not) for the unpaid prices of any other materials or products delivered to the Buyer under this or any other contract with the Pouch Machine Corp. (c) The Buyer fails to take delivery of the products delivered to him in accordance with the terms of this contract

8. PROPERTY

The property of any goods sold by the Pouch Machine Corp. shall not pass to the Buyer until such time as the Pouch Machine Corp. is in actual receipt of the full amount of the price thereof.

8.1. Risk in the goods shall pass to the Buyer when the Buyer or its agent takes delivery of the goods or collects them.

8.2. As the insurable risk in the Goods shall pass to the Buyer as soon as the Goods are delivered to him or to his order and pending disposal the Buyer shall keep the Goods insured in the amount of the price at which the Goods are sold to the Buyer against all insurable risks.

9. PAYMENT

Credit facilities on initial orders are subject to trade references on request. Payments are due as per quotation. Prompt payment is a condition precedent to future deliveries.

10. WAIVER

Any failure by the Pouch Machine Corp. to enforce any or all of these conditions shall not be construed as a waiver of any of our rights hereunder.

12. LEGAL INTERPRETATION

All contracts governed by these conditions shall be subject to Canadian Law and any question of interpretation or dispute shall be settled by the Canadian Courts or, at the option, by arbitration in Toronto, Canada by an arbitrator appointed by the Pouch Machine Corp.

13. SELLERS CONDITIONS TO PREVAIL

These conditions of sale shall over-ride any terms or conditions sought to be incorporated in any way by the Buyer in the contract. In the event of the Buyer's terms and conditions containing clauses which are inconsistent with or which purport to exclude the seller's conditions in any manner, such clauses shall be of no effect and the seller's conditions of sale shall prevail.