

**MTI STATEMENT OF LIMITED LIABILITY
(CANADIAN DIVISION)**
(Standards Adopted by the Metal Treating Institute, Inc.)

ALL WORK IS ACCEPTED SUBJECT TO THE FOLLOWING TERMS:

WARRANTY

(a) The Company warrants that the heat treatment and other incidental work to be performed by the Company will be conducted in a good and workmanlike manner in accordance with specifications supplied by the Customer.

LIMITATIONS ON THE COMPANY'S LIABILITY

(a) The Company's liability, whether arising from breach of the warranty as herein provided, contract or tort, shall not exceed twice the amount of the Company's charges for the work done on any material.

(b) In no event will the Company be liable for any personal injury, property damage or any special, indirect or consequential damages or economic loss, including but not limited to loss of profits, loss of production, recall or any other losses, expenses or liabilities allegedly resulting as a result of the work performed by the Company or resulting from any act or omission of the Company, its servants or agents. Without limiting the generality of this paragraph:

i) The Company shall in no event be liable for shrinkage, expansion, deformity or rupture of material in treating or straightening nor for rupture caused by or occurring during subsequent grinding;

ii) The Company shall in no event be liable if the Customer provides detailed instructions as to the treatment of material and those instructions are followed by the Company;

iii) The Company shall in no event be liable for loss, damage or delay caused by any Act of God, the Queen's or public enemies, riots, strikes, the authority of law, or by quarantine or from causes beyond the reasonable control of the Company.

CUSTOMER'S OBLIGATIONS

(a) The Customer, by contracting for metal treating and/or other work to be performed by the Company agrees to accept the limitation on the Company's liability as expressed in this Statement to the exclusion of and all provisions as to liability on the Customer's own invoices, purchase orders or other documents or any oral or written representations or agreements which have not been duly signed by an officer of the Company. If the Customer desires his own provisions as to the Company's liability to prevail such must be agreed to in writing and signed by an officer of the Company. In such event, a higher charge will be made for the Company's services.

(b) Failure by the Customer to indicate plainly and correctly the kind of material (i.e. the proper alloy designation) to be treated shall cause an extra charge to be made to compensate for any additional expenses incurred by the Company as a result thereof.

(c) The Customer agrees to inspect the treated material immediately upon its receipt. All claims against the Company for a breach of the limited warranty as herein provided must be submitted to the Company prior to any further processing, assembling or any other work that is undertaken with the treated material. No claims for shortage in weight or count shall be made by the Customer unless presented to the Company within FIVE (5) working days after receipt of materials by the Customer.

(d) The Customer covenants and agrees to indemnify and save the Company, its servants and agents harmless from any liability in connection with the services provided by the Company in excess of that which the Company has agreed to assume herein. The Customer further agrees to indemnify and save harmless the Company, its servants and agents from any further damages, indemnity or contribution.

(e) THE CUSTOMER UNDERSTANDS AND AGREES:

i) THAT THE STATEMENT OF LIMITED LIABILITY AS HEREIN PROVIDED IS SPECIFICALLY IN LIEU OF ANY OTHER EXPRESS OR IMPLIED WARRANTY OR CONDITION WHETHER BY OPERATION OF STATUTE, COMMON LAW OR INEQUITY

ii) NO ALTERATION OR AMENDMENT TO THE ABOVE CONDITIONS SHALL BE BINDING ON THE COMPANY EXCEPT IF MADE IN WRITING DULY EXECUTED BY AN OFFICER OF THE COMPANY; AND

iii) THE COMPANY'S LIABILITY HEREUNDER SHALL CEASE AND BE AT AN END AT SUCH TIME AS ANY OTHER PERSON UNDERTAKES FURTHER PROCESSING, ASSEMBLY, OR ANY OTHER WORK ON THE MATERIAL.