

# WARRANTY

## PARTS & LABOUR

### SHRED-TECH PROCESSING SYSTEMS WARRANTY FOR NEW MANUFACTURED EQUIPMENT

Shred-Tech warrants that Shred-Tech manufactured equipment is free from defective material and workmanship. This Warranty is subject to the following:

#### WARRANTY TERMS & CONDITIONS

1. This warranty applies to "Processing" shredding systems also known as "plant based" and "static" systems. MDS, MDX and MCS shredding and collection trucks are not covered under this warranty. This warranty is non-transferable.
2. The warranty period is one year (12 months) from the date of shipping, or 2000 hours of machine operating time, whichever occurs first. This warranty does not cover labour, wear parts and components or regular maintenance items including knives, spacers, finger plates, hydraulic fluids/oils, oil filters and similar items.
3. Any claim under this warranty must be submitted in writing immediately upon discovery and, in any event, not later than 30 days after the warranty period expires.
4. Any Shred-Tech equipment, components or parts subject to a warranty claim must be held by the User for Shred-Tech's inspection and returned to an authorized distributor or Shred-Tech facility as directed by Shred-Tech.
5. Shred-Tech agrees to repair or at its option replace any Shred-Tech equipment, components or parts which on inspection by Shred-Tech prove defective by reason of improper workmanship or materials. Such repair or replacement will be provided without charge to the User during normal working hours at an establishment authorized by Shred-Tech.
6. The cost of repair or replacement of Shred-Tech equipment, components or parts under this warranty shall include the cost of labour required to remove the defective Shred-Tech equipment, components or parts, to correct the defect or replace the part. Labour costs covered by this warranty will be reimbursed after final approval of the warranty claim, and must be authorized by Shred-Tech in advance of the labour taking place. Labour costs reimbursed to a second or third party require documentation of expenses in writing with original receipts and are subject to review and approval by Shred-Tech, and in any event, such reimbursement will not exceed Shred-Tech's standard labour rates and repair time standards.
7. The User is responsible for all labour costs incurred for work unrelated to the warranty claim including all expenses relating to parts, shipping charges and any local taxes.
8. Costs incurred by Shred-Tech investigating warranty claims will be invoiced and may be credited or reimbursed upon approval of warranty claim by Shred-Tech.
9. All Shred-Tech equipment, components or parts claimed to be defective are to be shipped at the User's expense to Shred-Tech or to such destination as Shred-Tech instructs, for inspection and testing. Upon warranty acceptance Shred-Tech will reimburse or credit the shipping costs.
10. This warranty expressly excludes any costs for delays including delays as a result of equipment downtime and any delays as a result of the non-availability of Shred-Tech equipment, components or parts for replacement or repair. The warranty also excludes any costs of warranty administration, investigation or transportation or haulage of the equipment as may be required to facilitate the necessary repairs.
11. This warranty does not apply in any respect to any damage or failure caused by misuse, misapplication, overloading, operating above rated capacities, abuse or negligence. (either intentional or otherwise),
12. This warranty does not apply in any respect to any damage or failure caused by disassembly, modification, improper installation or alteration by personnel or agents not authorized by Shred-Tech.
13. This warranty does not apply in any respect to any damage or failure caused by abnormal conditions, extreme temperature, excess dirt or corrosive material.
14. Damage to Shred-Tech equipment, components or parts resulting from lack of maintenance are not covered under this warranty. Please see equipment manuals for maintenance requirements.
15. Any Shred-Tech equipment, components or parts replaced under this warranty shall become the property of Shred-Tech.
16. Any replacement Shred-Tech equipment, components or parts provided under the terms of this warranty is warranted for the remainder of the warranty period applicable to the Shred-Tech equipment, components or parts originally warranted.
17. This warranty does not cover damage caused by other malfunctioning components not manufactured by Shred-Tech.
18. Any technical advice furnished by Shred-Tech to User is an accommodation to User. Shred-Tech assumes no liability therefor, and User accepts such advice at User's sole risk.
19. Damage caused by excessive machine reversals whether caused by overloading, foreign material, or dull knives could void machine warranty.
20. THIS WARRANTY IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES WHATSOEVER, EXPRESSED, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.
21. THIS WARRANTY AND SHRED-TECH'S OBLIGATION UNDER IT ARE USER'S SOLE AND EXCLUSIVE REMEDY AGAINST SHRED-TECH FOR ALL CLAIMS ARISING HEREUNDER OR RELATING HERETO WHETHER SUCH CLAIMS ARE BASED ON BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY) OR OTHER THEORIES.

#### LIMITATION OF LIABILITY

1. The remedies of the User set forth herein are exclusive, and in no event shall User be entitled to direct incidental, special indirect, consequential or other similar damages.
2. The total liability of Shred-Tech with respect to claims arising hereunder or relating hereto whether such claims are based on breach of contract, tort (including negligence and strict liability) or otherwise shall not exceed the price of products or work furnished hereunder.
3. Any action by User arising hereunder or relating hereto, whether based on breach of contract, tort (including negligence and strict liability) or other theories, must be commenced within one (1) year after the cause of action accrues or it shall be barred and User expressly waives any statute of limitations which might apply by operation of law otherwise.
4. The User, by the acceptance of the equipment, assumes all liability for any damages which may result from its use or misuse by the User, its employees, or by others.
5. As per the requirements of ANSI Standards no modification to size reduction equipment should take place without the written permission of the original manufacturer.
6. Shred-Tech manufactured equipment has been manufactured with safety features and furnished with User safety instructions. The operation of the equipment with safety features removed or modified and/or the disregard of the User safety instructions is outside Shred-Tech's control and is the responsibility of the User. The User agrees to indemnify, defend (at its own expense with counsel satisfactory to Shred Tech) and hold Shred-Tech harmless from any and all claims, demands, liabilities, the causes of action, suits, costs and expenses of any kind or nature (including attorney's fees) for loss or damage which may be suffered by Shred-Tech as the result of injury to persons (including death), and property arising from: [1] removal or modification to Shred-Tech manufactured equipment safety features, [2] disregard of Shred Tech User safety instructions, [3] improper use of the Shred-Tech equipment.

#### GOVERNING LAW

The validity, interpretation and performance of this agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada. User and Shred-Tech hereby submit to the non-exclusive jurisdiction of the Courts situated in the Province of Ontario for resolution of disputes arising with respect to this agreement.

