

**STANDARD TERMS AND CONDITIONS
OF KINGSTEC TECHNOLOGIES INC. ("COMPANY")**

1. **Entire Agreement:** These Standard Terms and Conditions and any Specific Terms and Conditions and any descriptions, prices, dates and quantities set out on the Company's Quotation, Invoice, and Order Acknowledgement stamp or form (all of which are herein referred to as "COMPANY's TERMS AND CONDITIONS") constitute the complete and exclusive expression of the entire agreement between COMPANY and Purchaser and there are no other agreements or understandings. All provisions are severable. All oral expressions between the Purchaser and COMPANY not set forth in this writing are not part of the agreement.
2. **Modification:** All modifications and amendments to this agreement must be in writing and signed by both Purchaser and COMPANY. It is understood that changes in design or delivery may increase the price and may cause a delay in the time required for performance.
3. **Acceptance:** Acceptance of an order is made by COMPANY only by the issuance of its completed and signed Order Acknowledgement stamp or form. Acceptance by COMPANY of Purchaser's order is expressly made conditional on assent to COMPANY's TERMS AND CONDITIONS, either by written acknowledgement or by conduct by Purchaser that recognizes the existence of a contract with respect to the goods described on COMPANY's Order Acknowledgement stamp or form. These Standard Terms and Conditions also serve as notice of COMPANY's objection to and rejection of any terms and conditions of purchase or sale included in Purchaser's purchase order or other writing that are different from or additional to COMPANY's TERMS AND CONDITIONS and any such other terms and conditions are not part of the contract unless specifically assented to in writing by COMPANY.
4. **Quantity:** Delivery of plus or minus 5% of the quantity ordered shall constitute fulfillment of the order and any excess not exceeding 5% shall be accepted and paid for by the Purchaser.
5. **Finishing Excluded:** No finishing operations of any type are included unless specifically stated.
6. **Acceptance and Rejection of Goods:** Purchaser promises to inspect all goods delivered pursuant to each quotation within 30 days of receipt and to advise COMPANY in writing of any nonconforming goods within the said 30 days of receipt, and after that time all goods are deemed to be accepted. Purchaser agrees that if the goods tendered under this contract are accepted, such acceptance satisfies all of COMPANY's obligations and after acceptance Purchaser shall have no claim of any kind against COMPANY including, but not limited to, claims for dimensional or finish variations.
7. **Variations:** Unless otherwise stated, parts will be of general commercial quality. Some dimensional variance from design specifications is expected. Parts shall be deemed acceptable if they are made to, and are unchanged from approved samples with respect to dimensional variations from the original specifications.
8. **Warranty:** COMPANY warrants that the goods covered by this contract will conform to the design specifications that have been provided by the Purchaser and accepted by the COMPANY. COMPANY does not warrant the performance of any material specified by Purchaser. The supply of a sample or model by COMPANY does not create any warranty that the goods will conform to the sample or model and any such sample or model is not intended to represent performance, function or condition of the goods to be sold. COMPANY's warranty will apply only to the goods found by COMPANY to be nonconforming within thirty (30) days of receipt by Purchaser and for which a claim is made by Purchaser in accordance with these Standard Terms and Conditions. COMPANY's warranty will not extend, however, to any goods that have been assembled or installed in a product manufactured or supplied by the Purchaser and that have been shipped out from Purchaser's factory nor to any goods subjected to: (a) improper installation, transit or storage; (b) accident, damage, abuse or misuse; (c) abnormal or unusual operation conditions or applications; (d) operating conditions or applications outside of the rated capacity of the goods; (e) operating conditions or applications not made known to COMPANY in writing prior to the date of COMPANY's Acknowledgement stamp or form; or (f) a purpose or application in any way different from that for which they were designed. Any description of the goods made by COMPANY does not create an express warranty from that provided in this paragraph.
9. **EXCLUSION OF WARRANTIES:** THE WARRANTY STATED IN THE PRECEDING PARAGRAPH IS THE ONLY WARRANTY MADE BY COMPANY WITH RESPECT TO THE GOODS SOLD UNDER THIS AGREEMENT; THERE IS NO OTHER WARRANTY, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Certification by COMPANY by separate writing as to compliance with specifications, blueprints, part numbers, materials, quantity, tests or otherwise will not create any warranty by or other obligation of COMPANY.
10. **LIMITATION OF REMEDIES:** IN THE EVENT OF COMPANY'S LIABILITY, WHETHER BASED ON CONTRACT, TORT (INCLUDING BUT NOT LIMITED TO NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE, PURCHASER'S SOLE AND EXCLUSIVE REMEDY WILL BE LIMITED TO, AT COMPANY'S OPTION, THE REPAIR OR REPLACEMENT (F.O.B. PURCHASER'S PLANT) BY COMPANY OF ANY NONCONFORMING GOODS FOR WHICH CLAIM IS MADE BY PURCHASER IN ACCORDANCE WITH THESE STANDARD TERMS AND CONDITIONS, OR TO THE REPAYMENT OF THE PORTION OF THE PURCHASE PRICE PAID BY PURCHASER ATTRIBUTABLE TO THE NONCONFORMING ITEM. COMPANY'S MAXIMUM LIABILITY HEREUNDER SHALL NOT EXCEED THE PURCHASE PRICE PAID BY PURCHASER FOR ANY NONCONFORMING GOODS. COMPANY WILL NOT BE LIABLE FOR OTHER COSTS OR CHARGES OF ANY KIND (INCLUDING LOST PROFITS, PRODUCTION DOWN TIME, FIELD REPLACEMENT COSTS OR REWORK CHARGES) OR FOR ANY OTHER DAMAGES, EITHER DIRECT, INCIDENTAL, CONSEQUENTIAL OR OTHERWISE.
11. **Claims:** All claims by Purchaser under COMPANY's warranty must be made within 30 days of the discovery of the defect. Purchaser must obtain shipping instructions from COMPANY prior to returning any goods.
12. **Price:** The prices quoted are based upon current material costs. Fluctuations in material costs and availability may affect price on future orders.
13. **Events Beyond Control:** COMPANY is not responsible for damage or delay in performance caused by events beyond its control including but not limited to Acts of God, acts of governmental entities, material supply limitations, labor interference.
14. **Design Rights:** Purchaser represents that it is the owner or has a legal right to the design of the parts ordered, and that the design and use made of the parts shall be free from product defects.
15. **Indemnification:** Purchaser agrees to indemnify and hold COMPANY harmless from any claims, loss, cost, liability, damage, or expenses including but not limited to all attorney fees, resulting from infringement or claimed infringement of patents or trademarks, or other proprietary right of third persons that result from COMPANY'S compliance with Purchaser's designs, specifications, drawings, samples or instructions, or from any claims, loss, cost, liability, damage, or expenses including but not limited to all attorney fees that result from the use, foreseeable misuse, or possession of the goods sold to Purchaser by COMPANY. Purchaser will also indemnify and hold COMPANY harmless against liability or obligation, whether in contract, tort (including but not limited to negligence and strict liability) or otherwise, with respect to any claim, expense, loss or damage to Purchaser or any other person resulting from goods that have been assembled or installed in a product manufactured or supplied by the Purchaser and that have been shipped out from Purchaser's factory and resulting from any goods that have been subjected to: (a) improper installation, transit or storage; (b) accident, damage, abuse or misuse; (c) abnormal or unusual operation conditions or applications; (d) operating conditions or applications outside of the rated capacity of the goods; (e) operating conditions or applications not made known to COMPANY in writing prior to the date of COMPANY's Acknowledgement stamp or form; or (f) a purpose or application in any way different from that for which they were designed.



STANDARD TERMS AND CONDITIONS
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(CONTINUED)

16. **Cancellation by Purchaser:** Accepted orders are not subject to cancellation unless mutually agreed in writing.
17. **Payment/Default:** Terms of payment are effective from the actual date of invoice. Unless otherwise stated as part of COMPANY's TERMS AND CONDITIONS, payment in full is due within 30 days of invoice. If Purchaser fails to make any payment due COMPANY for any agreement, or to anyone else for which COMPANY is liable because of this agreement, COMPANY reserves the right, among other remedies, to impose a reasonable finance charge in an amount not to exceed the maximum amount permitted by law. The amount of all finance charges will be added to the balance owed to COMPANY. If Purchaser fails to pay any invoice when due, or if the financial condition or credit of Purchaser becomes unsatisfactory to COMPANY, COMPANY, at its option and without affecting any other lawful remedy, may change the terms of payment or suspend work and further deliveries, or both, until Purchaser provides security or other assurances of performance as demanded by COMPANY. The failure or refusal of Purchaser to provide assurances within ten (10) days after a request by COMPANY will constitute a repudiation of the entire contract.
18. **Reservation of Title/Security Interest:** COMPANY reserves title and security interest in any goods sold until payment in full of all amounts owed to COMPANY. In the event of Purchaser's default in payment or any other breach of the agreement, COMPANY or its legal representative may, to the extent permitted by law, enter Purchaser's premises and may dismantle, repossess and remove any goods sold under the agreement, including goods that might have become fixtures. Purchaser will not hold COMPANY liable for any action taken in good faith pursuant to this paragraph.
19. **COMPANY's Remedies:** In addition to any remedies provided in COMPANY's TERMS AND CONDITIONS, COMPANY will be entitled to all remedies available under applicable law. All remedies will be cumulative. In the event of any breach by Purchaser, COMPANY may recover any special, incidental or consequential damages arising from Purchaser's breach.
20. **Interest:** Interest shall accrue for any unpaid balance at a rate of 1.5% monthly interest, or the maximum amount otherwise allowed by law.
21. **Termination:** The obligation to provide further services under this agreement may be terminated by either party upon written notice. In the event of termination, Purchaser will pay to COMPANY all services rendered to the date of termination including all reimbursable including any amortized costs.
22. **Repeat order of parts:** All future repeat order(s) for the parts will be subject to the same terms and conditions of this agreement unless modified in writing.
23. **Taxes:** Unless otherwise stated, COMPANY'S prices do not include any sales, use, excise, value added or other tax. All present or future tax obligations are the responsibility of and must be paid by Purchaser. If Purchaser claims that the goods sold are exempt from any particular tax, Purchaser must provide Company with a tax exemption certificate acceptable to the taxing authorities.
24. **Successors Bound:** Both Purchaser and COMPANY each bind themselves and their partners, successors, executors, administrators, assigns and legal representatives to the other party of this agreement in respect to all covenants, agreements and obligations of this agreement.
25. **No Assignment:** The Purchaser shall not assign, sublet or transfer any rights under or interest in this agreement, without prior written consent of the COMPANY unless restricted by law. No assignment will release or discharge the assignor from any duty or responsibility under this agreement.
26. **Labels:** Purchaser agrees to provide and attach all reasonable and appropriate warning labels and instructions on Purchaser's product before purchase by the ultimate buyer and will forthwith upon demand provide COMPANY with a copy of same.
27. **Testing:** Purchaser will reasonably and timely test Purchaser's products that use any goods supplied through COMPANY and ensure that same is safe for normal use and in accordance with all applicable safety standards and assembled pursuant to all professional engineering requirements. Purchaser will provide COMPANY forthwith, upon demand, the results, data upon which same are based, and testing methodologies of such tests. Purchaser warrants and represents that Purchaser's design and product as built is safe for normal use and has been properly assembled and that this representation is fully supported by the results of Purchaser's safety testing which is reasonable and appropriate for the product in question.
28. **Additional Named Insured:** Purchaser shall forthwith add COMPANY as an additional named insured to its product liability and commercial general liability insurance coverage in the same amount as the Purchaser and shall forthwith provide COMPANY with a Certificate of Insurance indicating the foregoing addition.
29. **Benefits:** Nothing herein shall be constructed to give any rights or benefits hereunder to anyone other than Purchaser and COMPANY.
30. **Waiver:** The waiver by COMPANY of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant, or condition of this agreement shall be deemed to have been waived by COMPANY, unless such waiver be in writing by COMPANY.
31. **Legal Expenses/Collection:** In the event any legal action is necessary to enforce the terms of this agreement, each party shall bear its own legal expenses in the enforcement of this agreement. In the event, however, COMPANY must take action to enforce collection of amounts due hereunder, Purchaser shall be responsible for COMPANY's reasonable costs and attorney's fees.
32. **Limitation of Actions:** Any cause of action arising from this agreement or the breach of it must be commenced within one year after the cause or action arose.
33. **Forum:** Any action to enforce this agreement, the terms of this agreement, or any action related to the relationship between the parties to this agreement, shall be conducted in Ontario, Canada, and Purchaser consents to the jurisdiction of the courts of Ontario, Canada, and the federal laws located therein.
34. **Governing Law:** The law of the Ontario, Canada shall be used in the interpretation of this agreement.
35. **For Greater Certainty:** Purchaser acknowledges that upon placement of an order respecting the attached quotation, COMPANY'S TERMS AND CONDITIONS shall supersede and replace in their entirety any terms and conditions of Purchaser.
36. This Standard Terms and Conditions is part of our quotation dated _____ reference: _____.

