

BSB Manufacturing Ltd

GENERAL TERMS AND CONDITIONS OF PURCHASE

1. AGREEMENT.

These general terms and conditions of purchase ("Terms and Conditions") shall govern and form an integral part of all agreements entered into and for all purchase orders placed by Buyer for the supply of goods and/or services by your company (hereafter referred to as "Supplier"). Each such agreement or purchase order shall be referred to herein as the "Agreement". As used herein, the term "goods" shall include both tangible and intangible goods, including software, service requirements, spare parts and any related software and/or documentation that may accompany the goods. Reference to "goods" shall where appropriate be deemed to include services.

These Terms and Conditions shall constitute all the terms and conditions of any Agreement between Buyer and Supplier relating to the purchase by Buyer and sale by Supplier of goods unless specifically agreed otherwise in writing by Buyer. Any terms and conditions set forth on any document or documents issued by Supplier either before or after issuance of any document by Buyer setting forth or referring to these Terms and Conditions are hereby explicitly rejected and disregarded by Buyer, and any such terms and conditions shall be wholly inapplicable to any purchase made by Buyer and shall not be binding in any way on Buyer. No Agreement constitutes an acceptance by Buyer of any other terms and conditions and Buyer does not intend to enter into an agreement other than under these Terms and Conditions. Any changes in these terms and/or the Agreement must be specifically agreed to by Buyer in writing.

Any purchase order of Buyer is expressly made conditional on Supplier's assent to all of the terms contained in the purchase order without deviation. Acceptance by Supplier of a purchase order may be evidenced by (i) Supplier's written or verbal assent or the written or verbal assent of any representative of Supplier, (ii) Supplier's delivery of the goods, or (iii) other conduct by Supplier or any representative of Supplier consistent with acceptance of the purchase order.

2. TIMING, CHARGES, REPORTING, AND RIGHT TO AUDIT.

Time is of the essence for the purposes of Supplier's obligations under the Agreement. In the event Supplier for any reason anticipates any difficulty in complying with any agreed delivery date or otherwise in accordance with any requirement of the Agreement, Supplier shall promptly notify Buyer in writing. Supplier shall use its best efforts to accommodate any reasonable request by Buyer to reschedule confirmed delivery dates, or to change other parts of any Agreement. Upon Buyer's request Supplier shall without delay provide information in writing concerning the status of any order, shipments due and payments and such other items relating to the business flow between Supplier and Buyer as Buyer may request.

3. DELIVERY.

All goods shall be delivered Delivery Duty Paid ("DDP") and risk and title to the goods (free and clear of any encumbrances) shall pass to Buyer on delivery, unless expressly otherwise agreed in writing by Buyer. Supplier shall make no deliveries before the agreed delivery date(s) and Buyer shall not be liable for any costs caused by or related to production, installation, assembly, commissioning or any other work related to such goods prior to delivery, except as explicitly agreed to by Buyer. As a minimum requirement, such goods shall comply with all applicable quality and certification standards. Supplier shall pack, mark and ship the goods in such manner as to prevent damage during transport and which facilitates unloading, handling and storage.

4. WARRANTIES.

Without prejudice to any warranty extended, express or implied, by law, Supplier expressly warrants and represents to Buyer that all goods to be supplied to Buyer shall be new, of good quality, design, materials, construction and workmanship, and that all goods conform strictly to the specifications, approved samples, industry standards and all other requirements of the Agreement, and are suitable for the intended purpose. Risk to the goods shall pass to Supplier as from the notice of rejection.

5. PAYMENT.

Subject to acceptance of the goods by Buyer, payment shall be made upon a properly submitted invoice following the date on which the goods are delivered or (if applicable) installed and commissioned.

6. PRICES.

All prices are inclusive of all taxes and duties except to the extent the same are to be borne by Buyer pursuant to the applicable terms. All such taxes and duties deemed included in the price shall be borne by Supplier, and Supplier shall pay such taxes and duties itself or, where these have been paid by Buyer, reimburse Buyer for such taxes and duties.

7. INSPECTION.

Buyer shall have the right to inspect or test the goods at all times and places. Payment, inspection, testing or acceptance of any goods by Buyer shall not relieve Supplier of any of its obligations under the Agreement, nor shall it constitute acceptance or approval of any goods or constitute or operate as a waiver of any defect, nonconformity or any rights or remedies.

8. INDEMNIFICATION.

Without prejudice to any other right or remedy available to Buyer under the Agreement or at law, Supplier shall indemnify and hold Buyer and its Affiliates and their successors and assigns, harmless from and against all liabilities, claims, suits, losses, damages, costs and expenses (including reasonable attorney's fees), whether direct or indirect, arising from or

relating to a third party's claim arguing that the goods constitute(d) infringement, violation or misappropriation of any intellectual property right or other proprietary right of a third party.

9. INTELLECTUAL PROPERTY RIGHTS.

Supplier agrees that any information, drawings, know-how, specifications, designs, concepts, techniques, developments, inventions, technologies and other work products generated or developed in the course of work performed under the Agreement by Supplier and any intellectual property and other proprietary rights therein or thereto shall vest in Buyer.

10. CONFIDENTIAL INFORMATION.

Supplier agrees to treat as confidential and to use only for the purposes of the Agreement all information, including but not limited to technical and commercial information, which is provided "as is" in whatever form or medium by or on behalf of Buyer and of its Affiliates and to give access to such information only on a need to know basis to its employees and not to transfer, publish, disclose or otherwise make available such information or any portion thereof to any third party without Buyer's prior written consent. Supplier shall not use the name, logo, trademark, or any other reference to Buyer, either direct or indirect, in press releases, advertisements, sales literature or other publications and shall not disclose the existence or the terms and conditions of the Agreement, without the prior written consent of Buyer.

11. TERMINATION.

Buyer may terminate all or any part of its obligations under any Agreement to purchase or accept goods at any time for its convenience upon written notice to Supplier. If Buyer provides the written notice to Supplier at least thirty (30) days prior to the specified shipping date of the relevant goods, Buyer shall have no liability for the termination.

12. CONTINUITY OF SUPPLY.

In the event that Supplier is in default under any Agreement, Buyer may notify Supplier of its intent to have the goods manufactured (or services performed) directly by Supplier's designated manufacturer or subcontractor (hereafter "Subcontractor") or by any third party designated by Buyer as stipulated below if such default is not remedied within fourteen (14) days or if within same period no precautions are taken by Supplier to Buyer's reasonable satisfaction to prevent future defaults with the same or substantially similar cause. If Supplier does not remedy such default within such fourteen (14) day period, Buyer will have the right to have the affected goods manufactured or services performed directly for Buyer by the Subcontractor.

13. COMPLIANCE WITH LAW.

Supplier represents and warrants to Buyer that the goods will and have been designed, manufactured, and delivered and/or the services will and have been performed in compliance with all applicable laws and regulations.

14. SUBCONTRACTING AND ASSIGNMENT

Supplier shall not subcontract, transfer or assign any of its rights and obligations under the Agreement to any third party or any of its affiliates without the prior written consent of Buyer. In case Supplier is permitted to subcontract any of its obligations hereunder, it shall remain fully responsible and liable for the proper performance of its obligations under any Agreement.

15. EXPORT RESTRICTION

Supplier agrees that it will not export or re-export, directly or indirectly, any of Buyer Confidential Information, goods, software and/or technology, without complying with all applicable international and national export control laws, to any country for which Canada or the United States of America or any other country, at the time of export or re-export requires an export license or other governmental approval, without first obtaining such license or approval. Supplier also agrees to inform Buyer whether or not the supplier product or technology is US controlled and/or controlled under the export control laws of its own country, and if so, what the export control classification number (ECCN)

16. FORCE MAJEUR (FM)

Supplier and Buyer agrees that FORCE MAJEUR (FM) **clauses** allocates risk in a contract and excuse non-performance of a contractual obligation upon the occurrence of a specified, unforeseeable (or at least unpredictable) event or circumstance that is beyond the parties' control.

17. GOVERNING LAW AND DISPUTE RESOLUTION.

The Agreement shall be governed by the laws of Ontario Canada. All disputes arising out of or in connection with the Agreement shall first be attempted by Supplier and Buyer to be settled through consultation and negotiation in good faith and a spirit of cooperation.