

Acculogic Inc.

Terms and Conditions of Purchase

The only terms and conditions that apply to the purchase of the material, items, products or components (hereinafter Goods) and services (hereinafter Services) set forth on the face of this Purchase Order or exhibits hereto are those set forth below, those preprinted on or added to the face of this Purchase Order and those which are contained in attachments or exhibits attached hereto.

1. **ACKNOWLEDGEMENT AND ACCEPTANCE:** The issuance of this Purchase Order to Seller constitutes an offer expressly limited to the terms contained herein. Seller is hereby notified in advance that Buyer takes exception to any and all changes, additions or deletions which Seller may make to the terms contained herein. Unless Buyer has received an executed acknowledgement copy of this Purchase Order within twenty (20) days after delivering it electronically or depositing it into Canada Post, the offer to purchase as contained herein shall expire unless otherwise extended in writing by Buyer.
2. **CONFLICTING TERMS AND CONDITIONS:** In the event of a conflict between the printed terms and conditions on this Purchase Order and any written or typewritten terms contained herein or attachments or exhibits hereto, the latter shall prevail.
3. **SUPPLEMENTARY TECHNICAL INFORMATION:** All technical specifications, drawings, notes, instructions or information referred to on the face of this Purchase Order or contained in attachments or exhibits hereto are deemed to be incorporated by reference and Seller expressly acknowledges that it has received and read such additional information.
4. **PACKAGING AND PACKING:** Seller shall be responsible for properly packing and packaging the Goods purchased hereunder. Seller shall separately number all cases, packages, etc., showing the corresponding Purchase Order numbers of invoices and Acculogic part numbers. An itemized packing slip bearing Buyer's order number must be placed on each package.
5. **DELIVERY:** Time and date of delivery are of the essence for this, or any other, Purchase Order. Risk of loss shall remain with Seller until receipt of Goods by Buyer or Buyer's agent at destination. In addition, Buyer reserves the right to refuse delivery of Goods made more than one week in advance of the delivery schedule included herein and return Goods to Seller at Seller's expense – unless expedited by Buyer.

Seller shall notify Buyer immediately at such time as Seller has knowledge of any impending material shortage, labor dispute or other events or impediment which could result in delay of the delivery.

6. **PRICE:** Seller expressly agrees that the prices quoted in this Purchase Order are equal to the prices paid for similar quantities of like Goods and Services by Seller's most favored customers; are firm and shall remain firm until all deliveries have been completed unless otherwise agreed in writing by both parties. Quoted prices include all charges, including but not limited to, taxes, inspection, packaging and shipping costs. Sales tax not specifically set out on the face of this Purchase Order shall be deemed to be included in the price of the Goods and Services.
7. **PAYMENT:** Payment date is scheduled from the date both invoice and Goods and Services have been received. Credits due to rejections or discrepancies on paid invoices will be deducted from subsequent payments. Buyer will remit payment to Seller via Mail.
8. **INSPECTION:** Seller shall inspect all Goods prior to shipment to Buyer. Goods which fail to pass Buyer's incoming test or inspection may be rejected by Buyer and returned to Seller at Seller's expense for credit, rebate of paid purchase price, repair, or replacement, at Buyer's option.
9. **WARRANTY:** Seller warrants – (1) that all Goods delivered hereunder are free from defects in design, material and workmanship; (2) that Seller has good title to the Goods and has conveyed such good title to Buyer pursuant to the terms of this Purchase Order; (3) that the Goods purchased hereunder conform to applicable specifications, drawings, samples or other description referenced on the face of this Purchase Order; and (4) that the Goods purchased hereunder will be suitable for the purposes for which intended if such purpose were made known to Seller. Seller's obligation under this warranty is limited to the replacement of defective or non-conforming Goods, F.O.B. Seller's dock, within thirty (30) days of notice of defect, or at Buyer's option credit or rebate to Buyer of purchase price for returned defective or non-conforming Goods. **SELLER'S WARRANTY SHALL EXTEND FOR A PERIOD OF 12 MONTHS AFTER GOODS ARE DELIVERED AND ACCEPTED BY BUYER AND APPLIED TO THEIR INTENDED USE.** Other than those warranties set forth above, Seller makes no other warranty, express or implied, for the Goods purchased hereunder. The warranties shall survive any inspection, delivery, acceptance, payment, expiration or earlier termination of the Purchase Order and such warranties shall run to Buyer, its successors, assigns, customers and users of its products.
10. **ASSIGNMENT:** Seller shall not assign this Purchase Order or any interest herein without the prior written consent of Buyer except, however, that Buyer shall not unreasonably withhold such consent.
11. **TERMINATION FOR CAUSE:** Buyer may cancel this Purchase Order in whole or in part at any time by written or telegraphic notice in the event that Seller (1) fails to comply with any term or condition of this Purchase Order or attachments or exhibits hereto, including but not limited to, delivery terms or (2) appoints a receiver or trustee in bankruptcy or other similar officer over any or all of its property or assets, files a voluntary or has had filed against in any involuntary petition in bankruptcy which remains in effect for thirty (3) days; merges with or is acquired by third party or assigns any of its rights or obligations under this Purchase Order to a third party without Buyer's advance written consent. Upon the occurrence of any one of the aforesaid events, and in addition to any remedies which Buyer may have at law or in equity, Buyer may cancel this Purchase Order by notifying Seller in writing of such cancellation and Seller shall thereupon transfer title and deliver to Buyer such work in progress or completed Goods as may be requested by Buyer. Buyer shall have no liability to Seller beyond payment of any balance owing for Goods purchased hereunder and delivered to and accepted by Buyer prior to Seller's receipt of the notice of termination and for work in process requested for delivery to Buyer.
12. **SET-OFFS:** Buyer shall have the right at any time to set off any amount owing from Seller to Buyer, or Buyer's associates or affiliates, against any amount due and owing to Seller or any of its subsidiaries or affiliates, pursuant to this Purchase Order or any other contractual agreement between Buyer and Seller or their respective subsidiaries or affiliates.
13. **INFRINGEMENTS:** If notified in writing of any action brought against the Buyer based on a claim that the Goods purchased hereunder or any of its parts infringes any patent, trademark, copyright or other intellectual property right, Seller will defend such action at its expense and will pay the cost and damages awarded in any such action. In the event that a final injunction shall be obtained against Buyer's use of the Goods or any of its parts by reason of infringement of any patent, trademark, copyright or other intellectual property right, or if in Buyer's reasonable opinion the Goods or any of its parts is likely to become the subject of a claim of infringement of any patent, trademark, copyright or other intellectual property right, Seller will, at its expense and as requested by the Buyer, either procure for Buyer the right to continue using the Goods or replace or modify same so that they become non-infringing but functionally equivalent.
14. **CONFIDENTIAL INFORMATION AND ADVERTISING:** Without prior written consent of Buyer, Seller shall neither disclose to any person outside its employ, or use for purposes other than performance of this Purchase Order, any information pertaining to the existence or terms of this Purchase Order including, but not limited to, drawings, blueprints, descriptions or specifications which are a part of this Purchase Order. Upon termination of this Purchase Order – Seller, at Buyer's request, shall return to Buyer all written material delivered to Seller or generated by Seller pursuant to the performance of this Purchase Order.
15. **COMPLIANCE WITH LAWS:** Seller warrants that in performance of work under this Purchase Order it has complied with or will comply with all applicable federal, Provincial and local laws and or ordinances and all related lawful orders, rules and regulations. In addition, Seller shall secure and maintain adequate Workmen's Compensation in accordance with the laws of the province or province from which Seller shall furnish Goods and/or Services for Buyer. Upon request, Seller agrees to issue certificates certifying compliance with any of the aforementioned laws or regulations as may be applicable to the Goods and/or Services being furnished hereunder. Any contract resulting from the issuance and acceptance of this Purchase Order shall be interpreted and enforced in accordance with the laws of the Province of Ontario, Canada.