



APPOLO
MACHINE LTD.
DESIGN • ENGINEERING • MANUFACTURING

OAC MEMBER
AS9100C APPROVED

5700 McAdam Rd., Mississauga, Ontario, L4Z 1T2, tel: 905-890-1816, fax: 905-890-2838.

Terms and Conditions of Sale

1. Offer to Sell.

Appolo Machine Ltd. ("AML") hereby offers to sell the products described in this Quotation (the "Goods"), but only on the terms and conditions described herein. If Buyer submits to AML a purchase order or other documentation with terms and conditions different from or additional to the terms and conditions described in this Quotation, AML hereby objects to those terms and does not assent to them. No such term shall be considered to be a part of any contract between the parties. The terms of AML's Quotation, except for these Conditions of Sale, are not binding, do not constitute an offer and are subject to change without notice.

2. Payment Terms.

Payment terms are net thirty (30) days from the date of the invoice issued by AML, subject to a 2% discount if paid within ten (10) days of the date of such invoice. Any payments not made within Thirty (30) days of the date of the invoice shall be subject to a late payment charge of 2.0% per month (compounded) on the unpaid balance of any amount then passed due.

3. Taxes.

The quoted purchase price may be increased to the extent that AML's cost of the Goods may be increased as a result of (1) any agreements, codes, or legislative enactments made or enacted pursuant to federal, provincial or municipal legislation; and (2) increase in the cost of labor or raw materials. In addition to paying the quoted purchase price, Buyer is solely liable for any excises, levies or taxes which AML may be required to pay or collect, under any existing or future law, upon or with respect to the sale, purchase, delivery, storage, processing, use, consumption or transportation of any of the Goods, and Buyer agrees to pay the amount thereof on the same terms as it shall pay the quoted purchase price.

4. Warranty.

AML assumes responsibility for defective parts only to the extent of the actual value of the parts supplied and Manufactured by AML. This does NOT include any components attached thereto by Buyer Stipulated Source(s) and or subsequently installed or attached by the Buyer or others. AML will not pay claims for labor charges or damages incurred by the customer as a result of the defective condition of the parts or processes.

5. LIMITATION OF LIABILITY.

AML's LIABILITY TO BUYER, WHETHER IN CONTRACT, IN TORT, UNDER ANY WARRANTY, IN NEGLIGENCE OR OTHERWISE, SHALL NOT EXCEED IN ANY CASE THE RETURN OF THE AMOUNT OF THE PURCHASE PRICE PAID BY BUYER AND UNDER NO CIRCUMSTANCES SHALL AML BE LIABLE FOR SPECIAL, IN DIRECT OR CONSEQUENTIAL DAMAGES. THE PRICE STATED FOR THE GOODS IS CONSIDERATION FOR LIMITING AML'S LIABILITY. NO ACTION, REGARDLESS OF FORM, ARISING OUT OF THE TRANSACTIONS MAY BE BROUGHT BY BUYER MORE THAN ONE (1) YEAR AFTER THE DATE OF THIS INVOICE. WITHOUT LIMITATION OF THE FOREGOING, IN NO EVENT WILL AML BE RESPONSIBLE OR LIABLE FOR (A) PENALTIES OR PENALTY CLAUSES OF ANY DESCRIPTION, OR (B) INDEMNIFICATION OF BUYER OR OTHERS FOR COSTS, DAMAGES OR EXPENSES ARISING OUT OF OR RELATED TO THE GOODS SOLD.

6. Claims.

Claims by Buyer for shortages or errors in delivery must be made within five (5) days after the delivery of the goods. Goods are sold subject to the standard manufacturing practices of AML's suppliers. Goods purchased on the basis of weight are subject to customary quantity variations recognized by practice in the industry.

7. Returns.

No goods shall be returned for credit without first obtaining written consent from an executive officer of AML.

8. Shipment.

Delivery terms are either F.O.B. AML's facility, Mississauga, Ontario Canada. Buyer shall assume all risk of loss or damage upon delivery by AML to the carrier at the point of shipment. Scheduled dates of delivery are determined from the date of AML's acceptance of any order or orders placed by Buyer and are estimates of approximate dates of delivery, not a guaranty of a particular date of delivery. AML shall not be liable for any damages caused by failure or delay in shipping the goods, if such failure or delay is due to any war, embargo, riot, fire, flood, accident, mill condition, strike or other labor difficulty, an act of Buyer, an act of God, an act of a governmental authority, transportation shortage or failure, inability to obtain sufficient fuel, labor, materials or manufacturing facilities, or any other cause beyond the reasonable control of AML.



APPOLO
MACHINE LTD.
DESIGN ■ ENGINEERING ■ MANUFACTURING

OAC MEMBER
AS9100C APPROVED

5700 McAdam Rd., Mississauga, Ontario, L4Z 1T2, tel: 905-890-1816, fax: 905-890-2838.

9. Security Interest.

Shipments, deliveries and performance of work by AML shall at all times be subject to the approval of and requirements of the credit department of AML, including the requirement that Buyer pay part or all of the purchase price in advance. AML retains a purchase money security interest in all Goods not paid for in full, notwithstanding that the Goods have been delivered to Buyer, and Buyer hereby authorized Seller to execute and file financing statements describing the Goods, and other document which may be requested by AML to evidence its security interest.

10. Cancellation.

Orders accepted by AML are subject to cancellation by Buyer only upon the express written consent of AML. Upon such cancellation and consent, AML shall cease work and hold for Buyer all completed and partially completed articles and work in progress and Buyer shall pay AML: for all work and materials that have been committed to and/or identified to Buyer's order plus a cancellation charge as prescribed by AML, in addition to a reasonable profit to AML on the entire contract.

11. Indemnification.

In addition to the foregoing, Buyer agrees to save and hold AML harmless from any claims, demands, liabilities, costs, expenses or judgments arising in whole or in part, directly or indirectly, out of the negligence or lack of care by Buyer or Buyer's customers, agents, employees or invitees involving the use of the goods supplied by AML. This indemnification shall include all costs, attorney's fees and other expenses paid or incurred by or imposed upon AML in connection with the defense of any such claim.

12. Governing Law.

Any agreement arising out of this transaction shall be deemed to have been made in Mississauga, Ontario Canada. The parties agree that the validity, interpretation and performance of any agreement arising out of this transaction shall be governed by the laws of the Province of Ontario without regard to conflicts of interest laws. Buyer and AML hereby submit to the exclusive jurisdiction for the resolution of any disputes hereunder, to the Ontario Provincial. This shall be the sole and exclusive jurisdiction and venue for the purpose of adjudication of any rights and liabilities hereunder.

13. Default.

In the case of default or breach by Buyer in the performance of any or all of the provisions of this agreement, AML may cancel any outstanding order from Buyer and declare all obligations immediately due and payable, and shall in addition have all remedies afforded by the Personal Property Security Registration System as enacted in Canada, and any other applicable law. Buyer shall in addition, be liable for AML's expenses incurred in exercising any remedies available to it, including reasonable attorney's fees and legal expenses. All unpaid obligations shall bear interest at the contract rate provided under terms of payment above.

14. Delay.

If Buyer requests deferral of deliveries, AML's agreement to defer delivery shall not excuse Buyer from its obligation to pay for the goods at the same times and in the same quantities as the original delivery schedule, including interest due pursuant to these terms and conditions. In addition to adhering to the original payment schedule, Buyer shall pay such storage charges as AML may assess for storing the goods awaiting delivery. If Buyer requests deferral prior to commencement of production, AML may require progress payments in connection with expenses for materials and services incurred by AML in anticipation of production.

15. AML may employ production techniques and use equipment, tooling, fixtures, and documentation which is proprietary to AML, and will remain the property of AML, and will not be disclosed to the Buyer.

16. AML is engaged in manufacturing work based on Buyers instruction, it is understood that the Buyer has investigated any copyright or patent infringement for any part(s) or component(s) requested to be manufactured by seller. AML does not perform any patent or copyright searches, the Buyer assumes all liability for any and all claims. Buyer agrees to indemnify and save AML harmless from all costs, disbursements, expenses (including legal fees on a solicitor and client basis), losses, damages, liabilities of whatever kind and nature relating to or in connection in any manner with our or the Customer's infringement of patents, industrial designs, trademarks, or any other intellectual property of any kind owned or licensed by any person.