

Fulfillment of Contract:

This quotation covers reinforced plastic parts only, unless otherwise stated in this quotation or in amendments pertaining to same.

The acceptance by the Buyer of these terms and conditions of sale including the express limitations of liability of Protectolite Composite Inc. contained herein in lieu of all other warranties, conditions or provisions, are conditions precedent to Protectolite Composites Inc. effecting the sale and delivery of these goods to Buyer.

- **F.O.B: Protectolite Composites Inc. 84 Railsid Rd. Toronto, Ontario. M3A 1A3**
- **All taxes and freight are extra. Net 30 days upon credit approval.**
- **Quotation is valid for 30 days from date of issue.**

Canadian Funds		Applicable duty/brokerage included	X
US Funds	X	Applicable duty/brokerage excluded	

Terms and Conditions of Sale

1). **Acceptance of Contract:** Buyer’s acknowledgement of or acceptance of goods under this contract (hereinafter referred to as the “Goods”) shall constitute Buyer’s acceptance of the terms and conditions herein. This contract contains the complete agreement between Buyer and Protectolite Composites Inc. (hereinafter referred to as (“Seller”) with respect to the Goods. Acceptance of this contract maybe made only on the terms and conditions set forth herein. Any proposed changes or additions to this contact by Buyer are objected to and hereby rejected, unless otherwise expressly agreed to in writing by the Seller.

2). **Acceptance of Goods:** Buyer shall inspect all the Goods furnished hereunder immediately upon receipt. Use of materials or failure to make claims for refunds or allowances wherein 30 days from date of shipment shall constitute acceptance of the Goods sold hereunder and a waiver by Buyer of any claim with respect hereto.

3). **Fulfillment of Contract:** Buyer and Seller agree that the quantity of Goods manufactured by compression moulding techniques delivered hereunder may vary by 10%, more or less, from the quantity of goods ordered and will be paid for pro rata.

4). **Cancellations:** Contracts shall not be cancelled, altered or increased by Buyer except upon written approval by Seller and upon payment by Buyer to Seller of any cancellation charges including actual costs incurred by Seller and 10% of the contract price as liquidated damages and not as penalty.

5). **Returns:** Buyer may not return Goods subject to revision without first obtaining the consent of the Seller and all costs associated therewith shall be borne by the Buyer.

6). **Prices:** Prices quoted for Goods are subject to revision without prior notice to Buyer. Prices for Goods shall be the price in effect at the date of shipment. Prices shall be payable in the currency quoted.

7). **Shipments:** All shipments are at the Buyer’s expense and risk as detailed on the face of this quotation. Shipments shall be made by a carrier selected by Seller, unless otherwise specified by Buyer in writing. Claims for damage or loss in transit must be made directly to the carrier.

8). **Risks of Loss and Title:** Risk of loss for all Goods sold hereunder shall pass to Buyer upon Seller’s delivery to a carrier at Seller’s facilities. Title to the Goods shall not pass to the Buyer until payment has been made in full, notwithstanding that the risk or loss has already passed and delivery has been made. Such reservation of title shall constitute the grant by the Buyer to the Seller of a purchase-money security interest, which interest shall attach to the Goods and the proceeds thereof upon the shipment of the Goods to the Buyer.

9). **Non-Shipment Delay:** No liability is assumed for non-shipment or delays. The Seller reserves the right to cancel any order if it finds it impossible to produce or deliver the goods within a reasonable length of time. The Buyer agrees that the Seller shall have no responsibility under or arising out of this contract in the event of notice of cancellation being given by the Seller.

10). **Warranty:**

A. (i) Except as provided in paragraph B hereunder, Seller’s sole warranty is that the Goods to be supplied hereunder shall be free and clear from defects in material and workmanship for a period of one year from the date of Seller’s shipment of Goods hereunder to Buyer. If any of the Goods furnished by Seller hereunder are defective within the warranty period, Seller’s sole obligation shall be, at its option, to repair or replace, (but not to install), the Goods without cost to the Buyer, unless such defect is due to Buyer’s

misuse, abuse or neglect of such Goods or such Goods have been altered or repaired other than by Seller, in which case the warranty hereunder shall be void.

(ii) No claim will be allowed or be valid under this warranty unless Buyer notifies Seller of such claim in writing within 30 days after Buyer learns of facts giving rise to such claim. All of Seller's liabilities, if any, with respect to the Goods cease at that time, and no action for breach of Seller's warranties and duties based on actions occurring after such time may be brought. Buyer's failure to test, inspect and make a claim within such period shall be conclusive evidence that the Goods shipped were satisfactory in all respects and shall constitute a waiver of any such claim.

B. (i) Seller does not warrant that use of Goods will achieve any particular result. Seller's sole obligations and Buyer's sole remedies shall be stated as above.

THE FOREGOING WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER EXPRESS, IMPLIED OR STATUTORY INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS, OR FITNESS FOR A PARTICULAR PURPOSE.

Terms and Conditions of Sale Continued

11). Liability: Seller's liability for any loss, cost or damage to Buyer or any other person, whether based on warranty, contract, negligence, product liability, or otherwise, arising in connection with the sale or use of the Goods is limited to the price of the Goods. In no event shall Seller be liable for any incidental or consequential loss, cost or damage to Buyer or any other person (including, but not limited to, losses, expense, or damages due to Buyer's or its customer's requirements, lost profits, injury or death of any individual, or damage to or loss of any property). Whether based on warranty, contract, negligence, product liability, or otherwise, arising in connection with the sale or use of the Goods.

12). Indemnity:

(A) Buyer agrees to and shall hold harmless Seller, its officers, directors and employees from any loss, liability or expense whatsoever, from fire, personal injury, theft, death, property damage, product liability, patent, trademark or copyright infringement or otherwise, arising out of any act or omission or negligence of the Buyer, its agents or representatives.

(B) BUYER WILL INDEMNIFY SELLER AGAINST AND HOLD IT HARMLESS AND DEFEND IT FROM ALL LIABILITY FOR DAMAGES, LOSSES, AND EXPENSES OF EVERY NATURE AND KIND, AND WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, DIRECT, SPECIAL, INDIRECT, CONSEQUENTIAL AND INCIDENTAL DAMAGES INCLUDING DAMAGES RELATED TO LOST SALES AND PROFITS, EXCESSIVE OR INCREASED COSTS, AND EXPENSES OF FIELD RECALL AND RETROFIT COSTS AND EXPENSES, DOWNTIME COSTS, AND CLAIMS OF CUSTOMERS OR BUYERS FOR DAMAGES, TO PERSONS OR PROPERTY IN ANY MANNER ARISING OUT OF OR INCIDENTAL TO, THE PERFORMANCE OF THE GOODS TO BE SUPPLIED HEREUNDER. Subject to the extent of the liability limitations set forth in paragraph 10 and 11 above the foregoing indemnity and hold harmless provision shall apply and extend to claims of every nature and kind, whether asserted in a lawsuit or otherwise instituted against Seller by Buyer or by any other persons, including claims based upon negligence, breach of contract, breach of warranty, strict liability, or any other legal theory upon which liability may be asserted against Seller by Buyer or by any other person.

13). Credit Approval: Orders are subject to approval by Seller's Credit Department. Seller reserves the right to extend, refuse or withdraw credit at any time without notice, and to request guarantees, security agreements, or payment in advance. Seller reserves the right to demand from Buyer in writing adequate assurance that Buyer will perform its obligations under this agreement if reasonable grounds for insecurity arise. Seller reserves the right to revoke credit already extended, to reject any orders placed by Buyer, and to demand full payment in advance for any accepted orders, if Seller reasonably believes Buyer's credit standing to be unsatisfactory.

14). Payment: Terms are net 30 days from the date on the Seller's invoice, unless otherwise stated in writing.

15). Late Payment: Seller shall be entitled to charge interest on any amounts not timely paid by Buyer at the rate of twenty four percent (24%) per annum. In the event Seller brings suit to collect any amount to which it is entitled to hereunder, Buyer shall pay Seller all attorney's fees, expenses and costs incurred by Seller in collecting such amounts.

16). Miscellaneous: The rights and remedies of Seller hereunder shall be cumulative and in addition to all Seller's other rights in law or equity. The invalidity of any one clause or part of this contract shall have no effect on the validity of any other such claims or part thereof.

17). Language of Agreement: The parties acknowledge their agreement that this contract, as well as all related documents, be drawn up in the English language only.

18). Taxes, etc.: Unless otherwise specifically stated, Seller's prices do not include excise, sales whether federal or state, use, duty or similar taxes. Consequently, where not otherwise specifically stated, in addition to the prices specified herein, the amount of any present or future excise, sales, use, duty or similar tax applicable to the sale of goods hereunder shall be paid by the Buyer or, at Seller's option, Seller may pay the said tax or charge and add an amount equal to such tax or charged paid or payable by Seller to the price goods herein.

19). Moulds and Tooling: Moulds and tooling are quoted in accordance with the standards and practices of Plastic Custom Moulders as published by the Society of the Plastics industry of Canada.

PROTECTOLITE™ COMPOSITES INC.