



174 West Beaver Creek Rd.
Richmond Hill, Ontario L4B 1B4
Tel: (905) 707- 2305
Fax: (905) 707-2304

M.I.S. ELECTRONICS INC. STANDARD CONDITIONS OF PURCHASE

Offer and Contract: The following terms, conditions and certifications apply to all M.I.S. Electronics Inc. Purchase Orders, in addition to any terms set forth on the face of an individual purchase order (the "Order"), and any plans, specifications or other documents attached or incorporated by reference therein. M.I.S. Electronics Inc. hereby gives notice of its objection to any different or additional terms. Purchase Orders are valid only as written. If price, terms, shipping date or any other expressed condition of the Order is not acceptable, M.I.S. Electronics Inc. must be notified and must accept in writing any M.I.S. Electronics Inc. variation prior to shipment or delivery. The Order shall be deemed to have been accepted (i) in the absence of written notification of non-acceptance by the Seller within a reasonable period of time, or (ii) upon timely delivery of the products identified herein to the shipping address specified on the face of the Order. This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.

Changes: M.I.S. Electronics Inc. may make changes to the Order at any time, and Seller shall accept such changes. If a change causes an increase or decrease in cost and/or time required for performance, an equitable adjustment shall be made and the Order modified accordingly.

Termination for Convenience or Cause: M.I.S. Electronics Inc. may terminate the Order or any part thereof for its sole Convenience. Upon notice of such termination, Seller shall immediately stop all work and/or shipment of goods hereunder and cause its suppliers and/or subcontractors to cease their work against the Order. Seller shall be paid a reasonable termination charge consisting of a pro rata percentage of the Order price reflecting the percentage of work performed prior to notice of termination, plus actual direct costs resulting from termination. Seller shall not be paid for work performed or costs incurred after receipt of notice of termination, nor for costs incurred by Seller's suppliers that Seller reasonably could have avoided. M.I.S. Electronics Inc. may terminate the Order or any part hereof for Cause if Seller defaults, fails to comply with any terms and conditions of the Order, becomes insolvent or files for bankruptcy protection. Late delivery of goods or performance of services that are defective or do not conform to the Order shall, without limitation, be causes allowing M.I.S. Electronics Inc. to terminate the Order for cause. In this event, M.I.S. Electronics Inc. will not be liable to Seller for any amounts; but Seller shall be liable to M.I.S. Electronics Inc. for all losses, damages, and expenses, including costs of cover, resulting from the default that caused the termination. If a determination is made that M.I.S. Electronics Inc. improperly terminated the Order for Cause, then such termination shall be deemed to have been for M.I.S. Electronics Inc.'s Convenience.

Delivery: Time is of the essence of the Order. If delivery of goods or services is not complete within the time specified, M.I.S. Electronics Inc. may, without liability and in addition to its other rights and remedies, terminate the Order, by notice effective when received by Seller, as to goods not yet delivered or services not yet rendered; and M.I.S. Electronics Inc. may purchase substitute goods or services elsewhere and charge Seller for any additional expense incurred. Acceptance of any part of the Order shall not bind M.I.S. Electronics Inc. to accept any future shipments nor deprive it of the right to return goods already accepted.



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Shipping: Goods must be shipped by the particular route, method and carrier as stated in this Purchase Order. In the event that Seller fails to ship goods on or before any scheduled shipping date, Buyer shall have the right to specify a more rapid method of shipment than was specified originally and Seller shall bear, at no additional cost to Buyer, any increased costs occasioned thereby. Packing, Marking and Invoicing: A packing list shall be included with each shipment. Two copies of Seller's invoices, together with original bills of lading, properly signed by carrier's representative, shall be forwarded to Buyer not later than the day after shipments are made. Individual invoices shall be issued for each separate shipment. Buyer shall not be charged for packaging, boxing, crating or cartage. All invoices, packing lists, bills of lading, and each separate package within each shipment shall clearly reference piece number, Buyer's Purchase Order number and Seller's packing slip number. Partial shipments must be identified as such on the shipping memoranda and invoices. Upon M.I.S. Electronics Inc.'s request, Seller will promptly provide M.I.S. Electronics Inc. with a statement of origin for all Goods and Canada Customs documentation for Goods wholly or partially manufactured outside of the Canada.

Force Majeure: M.I.S. Electronics Inc. may delay delivery, performance, or acceptance of the goods or services ordered hereunder in the event of causes beyond its control. Seller shall hold such goods or refrain from furnishing such services at the direction of M.I.S. Electronics Inc., and Seller shall deliver the goods when the cause effecting the delay is eliminated. M.I.S. Electronics Inc. shall be responsible only for Seller's direct additional costs incurred by holding the goods or delaying performance of this agreement at M.I.S. Electronics Inc.'s request. Causes beyond M.I.S. Electronics Inc.'s control shall include, without limitation, government action or failure to act where required, strike or other labor trouble, fire or similar catastrophe, and severe weather or other acts of God.

Warranties: Seller expressly warrants all goods delivered under the Order to be free from defects in material and workmanship and to be of the quality, size and dimensions ordered. This express warranty shall not be waived by reason of the acceptance of the goods or payment therefore by M.I.S. Electronics Inc.. Seller expressly warrants that for a period of one year after Buyer's acceptance of the goods or services hereunder, or for such longer period as may be expressly provided in this Purchase Order or under applicable law, all goods and services covered by this Purchase Order will: (a) strictly conform to Seller's specifications, drawings, samples and other written materials and descriptions, or, to the extent the goods were purchased to Buyer's specifications and drawings as set forth or referred to in this Purchase Order, that the goods strictly conform with those specifications and drawings; (b) be free from defects in design, material and workmanship; (c) be of merchantable quality and suitable for the particular purposes intended, whether express or reasonably implied; and (d) bear all warnings, labels, and markings required by applicable laws and regulations. In addition, Seller warrants that: (e) none of the goods covered hereby, to the extent they are subject to laws prohibiting adulteration or mis-branding, is adulterated or mis-branded within the meaning of such laws as of the date of delivery to Buyer; (f) all goods covered hereby may be introduced into interstate commerce without violation of applicable laws and regulations; (g) all services have been performed in a good and workmanlike manner; and (h) all goods and services furnished or rendered pursuant to this Purchase Order have been produced, sold, delivered or rendered to Buyer in compliance with all applicable laws and regulations.

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Compliance: Seller certifies that all goods or services furnished under the Order, including materials and incident thereto, shall comply with all applicable federal, state and local laws and regulations concerning health, safety and environmental standards and requirements. Risk of Loss: Seller assumes all risk of loss of or damage to all goods ordered and all work in progress, materials, and other items related to this Order until the same are finally accepted by M.I.S. Electronics Inc.. Seller also assumes all risk of loss of or damage to any goods, work in progress, materials, and other items rejected by M.I.S. Electronics Inc. until the same are received by Seller or accepted by M.I.S. Electronics Inc..

Inspection: Payment for goods or services provided under the Order shall not constitute acceptance thereof. M.I.S. Electronics Inc. may inspect and test such goods or services and reject any or all items that are, in M.I.S. Electronics Inc.'s sole judgment, nonconforming. Goods rejected or supplies in excess of quantities ordered may be returned to Seller at its expense. Failure by M.I.S. Electronics Inc. to inspect and test the goods or services shall not relieve Seller of responsibility.

Hold Harmless: Seller shall defend and hold harmless M.I.S. Electronics Inc., its directors, overseers, officers, agents and employees against and from any and all claims, liabilities, losses, damages, expenses, and legal fees whatsoever, without limitation, arising in connection with any goods or services purchased under the Order or from any act, omission, operation, product or service of Seller, its employees, agents, suppliers, and subcontractors.

Insurance: Seller shall maintain adequate insurance in any and all forms necessary to protect both Seller and M.I.S. Electronics Inc. against all liabilities, losses, damages, claims, settlements, expenses, and legal fees arising out of or resulting from performance of this agreement. Although evidence of certain minimum coverage may be required, nothing contained herein shall abridge, diminish or affect Seller's responsibility for the consequences of any accidents, occurrences, damages, losses, and associated costs arising out of or resulting from performance of this agreement. Limitations: M.I.S. Electronics Inc. shall not be liable to Seller, its employees, representatives, agents, suppliers, or subcontractors for any anticipated profits or incidental or consequential damages. M.I.S. Electronics Inc.'s liability on any claim for loss, damage or expense arising in connection with this agreement shall not exceed the price of the goods or services which give rise to the claim. M.I.S. Electronics Inc. shall not be liable for penalties of any kind. Any action caused by any alleged breach of this agreement by M.I.S. Electronics Inc. must be commenced within one year after the cause of action has accrued.

Indemnification-Patents/Copyright: The Seller agrees to indemnify M.I.S. Electronics Inc. and to hold M.I.S. Electronics Inc. harmless from and against all claims, liability, loss, damage, and expenses including legal fees, arising from or due to any actual or claimed trademark, patent, or copyright infringement and any litigation based thereon, with respect to any part of the goods and work covered by the Order. The Seller shall defend any such litigation brought against M.I.S. Electronics Inc.. The Seller's obligations hereunder shall survive acceptance of the goods and payment therefor by M.I.S. Electronics Inc.. Independent Contractor: If Seller's obligations under the Order require the performance of work by Seller, its employees, agents suppliers or subcontractors on M.I.S. Electronics Inc. property or elsewhere, Seller agrees that such work or services shall be performed by Seller, its employees, agents, suppliers or subcontractors as independent contractors, and not as employees of M.I.S. Electronics Inc., and that such persons doing such work shall not be considered or represent themselves as employees or agents of M.I.S. Electronics Inc..

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Use of the Name of M.I.S. Electronics Inc.: The Seller shall not use the name of M.I.S. Electronics Inc. or of any M.I.S. Electronics Inc. employee, or any M.I.S. Electronics Inc. trademark in its sales promotion, advertising, or any other publication without M.I.S. Electronics Inc.'s prior written permission.

Confidentiality: Seller and its directors, officers, employees and agents shall not disclose to any third party any information pertaining to the goods provided or services performed hereunder, or pertaining to Buyer's business or operations which Seller obtains or has access to in connection herewith, without the prior written consent of Buyer. Assignment: No part of the Order may be assigned, transferred, or subcontracted by Seller without M.I.S. Electronics Inc.'s prior written approval.

Waiver: M.I.S. Electronics Inc.'s failure to insist on performance of the terms and conditions herein or to exercise any right or privilege, or M.I.S. Electronics Inc.'s waiver of any breach hereunder, shall not thereafter waive the same or other terms, conditions, rights or privileges or affect any subsequent breach.

Severability: If any part of this agreement is found to be illegal or unenforceable, that part shall be severed from the contract and the rest of the agreement shall be enforceable as written.

Governing Laws: This Purchase Order shall be governed by the laws of the state from which Buyer issues this Purchase Order, without giving effect to its principles of conflicts of law. This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.