

TERMS AND CONDITIONS OF SALE

These terms and conditions apply to every sale of goods and every supply of services by Setpoint Technologies, (the "Company") to the party named as the customer. These terms and conditions form an express part of any contract entered into between the Company and the Customer and by signing the reverse side hereof, the customer expressly agrees to be bound by these terms and conditions. These terms and conditions may be varied only by express written agreement signed by an authorized representative of the Company.

1. Prices:

The prices quoted do not include present and future Federal, Provincial or Municipal sales Taxes, or any other tax of any nature which may be imposed as a result of this transaction. The amount of any tax or levy applicable to this transaction or the use of the products or goods involved shall be the sole responsibility of and shall be paid by the Customer. If the Customer claims exemption of such tax or levy, the Customer shall forthwith furnish to the Company a tax exemption certificate which is acceptable to the Company.

2. Payment:

Payment terms are F.O.B. shipping point, Net 30 from the date of the Company's invoice. Invoices are due net 30 days from date of the invoice without discount. In the event payment of any invoice is not made when due, the Company shall charge the Customer late charges of 18% per annum on the unpaid balance from the date on which it is due until the date it is paid. The Customer is responsible for all expenses which the Company may incur in enforcing its' right to payment or any obligation of the Customer contained herein, including legal fees and costs.

3. Quotations:

Unless otherwise specified, quotations shall remain in effect for 30 days from the date on which the quotation is provided to the Customer.

4. Cancellations:

An order may be cancelled by Buyer only upon written request, and written authorization by Seller, and upon payment of a reasonable cancellation fee. An order may be cancelled by the

Customer only upon written request, and written authorization by the Company, and upon payment of a reasonable cancellation fee. The reasonable cancellation fee will be determined by the Company and will reflect, among other factors, expenses already incurred and commitments made by the Company.

5. Return Products:

Goods may be returned for credit only upon prior approval by the Company and subject to a re-stocking charge to be determined by the Company. All returned goods must be shipped, freight prepaid in the same condition as when shipped by the Company.

6. Delivery:

Carriers are responsible for products lost or damaged in transit. In case of loss or damage to goods in transit, the Customer shall immediately notify the carrier or its agent in writing of such loss or damage and shall do all things necessary to assert and prosecute a claim against the carrier for such loss or damage.

Estimated times of delivery are approximate and are based upon the information available to the Company at the time such estimate is made. The Company reserves the right to change the estimated time of delivery and the Customer acknowledges that the Company will not be liable in any way for damages or economic loss of any kind resulting from late delivery by the Company.

The Company is not responsible for delays or failures of shipments resulting from matters beyond its' control including, without limitation, fire, flood, strike, labour dispute, war, accident, embargoes, delay in transportation, shortage of materials and/or labour, action by any government or government agency.

7. Technical Advice:

Any technical advice given by the Company is given without charge and the company assumes no obligation or liability in respect of any such advice given. Technical matters are the sole responsibility of the Customer and the Customer assumes full liability in respect thereto.

8. Product:

The Company is not liable in any way for products, goods or supplies manufactured by others and the Customer acknowledges that any warranty it may have with respect to such goods is limited to the warranty available, if any, from the original manufacturer.

9. Warranties:

The Company warrants that any goods sold hereunder (excluding goods manufactured by others) are free from defects in materials and workmanship under normal use and service, but the Company's obligations hereunder shall be limited to repair or replacement of the part or parts shown to be defective at time of shipment. The Company shall not pay for any work in connection with the goods contracted by the Customer.

10. Liabilities:

The Company shall not be liable, under any circumstances whatsoever, for any special, incidental, indirect or consequential damages howsoever caused including, without

limitation, loss of profit, cost of capital, loss of use and under no circumstances shall the Company's liability exceed the contract price for any goods claimed to be defective. The parties agree that this limitation is reasonable and the contract price has been negotiated with this limitation in mind.

Except as stated above, the company makes no representations or warranties of any kind with respect to the goods and all other representations, warranties, conditions and liabilities express or implied, are hereby excluded.

11. Customer Data:

To the extent that the Company has relied upon any specifications, information, representation of operating conditions or other data supplied to it by the customer, or in the event that actual operating conditions or other conditions differ from those represented by the customer and relied upon by the company, any warranties or other provisions contained herein which are affected by such conditions shall be null and void, unless otherwise mutually agreed upon in writing.

12. The Customer shall not assign its rights or obligations pursuant to this Agreement to any other party without the express written consent of the Company.

13. Any waiver, indulgence or extension granted by the Company or any failure by the Company to insist upon its strict legal rights shall not operate as a waiver of any other right or provision and shall not constitute a continuing waiver, indulgence or extension unless agreed to in writing by the Company.

14. There are no understandings, agreements, representations or warranties, express or implied, except as set out herein and this Agreement constitutes the entire agreement between the parties in regard to the subject matter hereof.

15. The parties have expressly requested that this contract and all related documents be drawn up in the English language.

15. This agreement and all of the dealings between the Company and the Customer shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.