

MAXXIT SYSTEMS INC. GENERAL TERMS AND CONDITIONS FOR PURCHASE OF GOODS AND/OR SERVICES

1. General

The Order is an offer by MAXXIT SYSTEMS INC. ("Client") to purchase from the Supplier certain Goods and /or Services (the "Work") on these Terms and Conditions for Purchase of Goods and/or Services (the "Agreement"). The Order is not binding on Client until it is accepted by Supplier. Supplier will be deemed to have accepted the Order and this Agreement when it: sends Client notice of acceptance in writing; and/or starts to provide or perform in accordance with the terms of the Order, whichever occurs first. Client may withdraw the Order at any time before it is accepted by Supplier. No contract will exist except herein provided.

Supplier's acceptance is expressly limited to this Agreement. Any invoice, acknowledgement or other communication issued by Supplier in connection with the Order will be construed to be for record and accounting purposes only, and any terms and conditions set forth in such communication will not apply to the Order and will not be construed as Supplier's exceptions to this Agreement. Any additional or different terms proposed by Supplier are objected to and rejected and will be deemed a material amendment hereof, unless expressly assented to in writing by Client. Where there is any conflict between the provisions of this Agreement and those of any other document, contract, or any other form of agreement or representation made prior to or subsequent to the issuance of this Agreement, the Parties agree that the terms and conditions of this Agreement shall prevail, unless otherwise expressly assented to in writing by the Parties.

The Order constitutes the entire agreement between the Parties and may be amended except in writing by an authorized representative of Client. Client shall not be liable for any orders or amendments other than those issued, communicated in writing and/or confirmed on Client's official printed Order or any amendments thereto. Supplier shall be deemed to have carefully examined all contract documents to his entire satisfaction. Any lack of information shall not in any way relieve Supplier of his responsibilities to fulfill his obligations under the Order.

For purposes of this Agreement, "Goods" means any equipment, material and other items to be delivered by Supplier in accordance with this Agreement and "Services" means any services to be provided by Supplier under this Agreement.

2. Completion and Delivery

- (i) Time is of the essence, and Supplier shall provide or perform the Work on the date(s) specified in the Order. If Supplier fails to provide or perform the Work, Client may terminate the Order for cause in accordance with Clause 9 and Supplier shall be liable to compensate Client in accordance with Clause 10.
- (ii) Conditions of Delivery of Goods shall be packed in suitable containers for protection in shipment and storage according to Client's instructions or, if no such instructions, in a manner sufficient to ensure that the Goods are delivered in undamaged condition;
- (iii) Services In the event Supplier fails to provide or re-perform any incomplete part of the Services, Client may, either directly or through others, undertake Supplier's responsibilities in respect of such incomplete Services and shall be entitled to recover from Supplier all direct and documented costs and expenses incurred in relation thereto.
- (iv) Except where it is expressed in the Order that the following Liquidated Damages provision do not apply, where Supplier, through no fault of Client, fails to provide or perform the Work on or before the date(s) specified in the Order, then it is agreed that Supplier shall pay Client an amount equal to one percent (1%) of the value of the Order for each day(s) or part thereof of delay up to a maximum of ten percent (10%) of

the value of the Order by way of liquidated damages for late completion and delivery under this Clause 2 ("Liquidated Ascertained Damages"). Client and Supplier agree that the amounts of Liquidated Ascertained Damages provided for in this Agreements are in lieu of actual damages for delay and are the parties' reasonable estimates of fair compensation for the losses that would be suffered from such delay, and do not constitute a penalty. The Liquidated Ascertained Damages shall be Client's sole and exclusive remedy for Supplier's delay in delivery, up to the 10% maximum. The provision of Liquidated Ascertained Damages shall not prejudice Client's right of termination once the maximum Liquidated Ascertained Damages for the Order has been claimed by Client.

3. Prices Invoicing

The contract price and rates are inclusive of all taxes (including withholding tax), packing and crating, customs duties, bank charges outside the country of Client's residence, storage and insurance. Client reserves the right to reject an invoice or withhold payment for invoices which do not meet the above requirements or if Supplier fails to comply with any requirements specified in the Order or obligations under this Agreement (including, without limitation, with respect to the quality or specifications of the Work). Client may offset any debt or other financial obligation which Supplier owes to Client against amounts due or which becomes due to Supplier under this Agreement. The payment of, objection to or failure to object to any invoice, or any payment or settlement in resolution of any dispute or any combination of these matters does not constitute acceptance by Client of the accuracy or justification of Supplier's invoices.

4. Inspection; Rejection

Where Goods are to be provided under the Order, all such Goods are subject to Client's right of inspection and rejection before, on or after the delivery date. Client, at its sole option, may inspect all or sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are defective or otherwise do not conform to the descriptions and specifications delivered in connection with the Order or otherwise communicated to Supplier in writing. If Client rejects any portion of the Goods, Client has the right, effective upon written notice to Supplier, to: (i) rescind the Order in its entirety; (ii) accept the defective and/or non-conforming Goods at a reasonably reduced price; or (iii) reject the defective and/or non-conforming Goods and require the replacement thereof. Supplier will, at its expense, pay for all related costs and expenses, including but not limited to, storage charges and transportation charges for the return of the rejected Goods. Client may replace rejected Goods with goods from a third party and charge Supplier the cost thereof and terminate the Order for cause.

If Client requires replacement of defective and/or non-conforming Goods, Supplier will, at its expense, promptly replace the defective and/or non-conforming Goods and pay for all related costs and expenses, including but not limited to, storage charges and transportation charges for the return of the defective and/or non-conforming Goods and delivery of replacement Goods. If Supplier fails to timely deliver replacement Goods, Client may replace the defective and/or non-conforming Goods with goods from a third party and charge Supplier the cost thereof and terminate the Order for cause.

Any inspection or other action by Client under this Clause 4 will not reduce or otherwise affect Supplier's obligations and/or liabilities under the Order and Client will have the right to conduct further inspections after Supplier has carried out its remedial actions.

5. Supplier's Warranties

With respect to all Services to be performed under the Order, Supplier warrants to Client that:

- (i) Supplier will provide or perform the Services using personnel of required skill, experience, qualifications and in a professional and workmanlike manner in accordance with generally recognized industry standards for similar services and in accordance with any and all specifications provided by Client;
- (ii) Supplier will devote adequate resources to meet its obligations under the Order; and
- (iii) Supplier's performance of the Services will not infringe or misappropriate any letters patent, trademark or copyright or any intellectual property rights of any third party.

With respect to all Goods to be delivered under the Order, Supplier warrants to Client that such Goods will be:

- (i) merchantable;
- (ii) free from any defects in workmanship, materials and design;
- (iii) manufacture packaged, labeled, handled, shipped and stored by Supplier or its agent in a good and workman- like manner at quality levels consistent with industry standards and in accordance with all applicable specifications, drawings, designs, samples and other requirements specified by Client;
- (iv) fit, safe and effective for their intended uses and purposes, and operate as intended;
- (v) conform to all specifications identified in the Order, (vi) free and clear of all liens, security interests or other encumbrances; and (vii) not infringe or misappropriate any patent, industrial design, copyright or trademark or any intellectual property rights of any third party.

All warranties set forth herein will remain in effect for a period of 12 calendar months from the date of acceptance of the Work by Client ("Warranty Period"). If Supplier has performed rectification work during the Warranty Period, a new 12 calendar months' period shall apply for the rectified parts from the date of acceptance of the rectification work by Client provided that the cumulative Warranty Period shall not exceed twenty-four (24) calendar months from the date of acceptance of the Work by Client.

All warranties will run to Client, its customers and subsequent owners of the Work to which they relate. There are no exclusions, limitation or disclaimers of warranty other than those that may be expressly recited herein.

6. Taxes and Governmental Charges

Supplier shall be liable for all taxes, duties, levies, charges and contributions connected with the Order imposed upon Supplier, any sub-Supplier, their employees, servants, or agents by governmental authorities and/or other authorities having jurisdiction over the Order so that the price or any part thereof shall not be increased due to any or all of these factors.

7. Indemnities

Supplier agrees to indemnify, defend and hold harmless Client, its affiliates, and their respective directors, officers, employees, customers and agents, from and against any and all claims, demands, causes of action, losses, damages, direct and indirect costs and expenses or other liability, other than liability solely due to the negligence of Client, including reasonable attorneys' fees, arising out of or resulting in any way from: (i) Supplier's performance under the Order; (ii) any defects in the Work; (iii) negligence or willful misconduct of Supplier, its sub-Supplier and their respective agents or employees; and/or (vii) the infringement of any third party proprietary rights with respect to: (a) Supplier's performance under the Order; and/or (b) Goods supplied by Supplier (including, without limitation, with respect to Supplier's manufacture and/or Client's use or possession thereof) in connection with the performance of the Order.

Supplier's obligation to indemnify will survive the expiration or termination of the Order by either Party for any reason. If the use or sale of the Goods is enjoined as a result of any action or proceeding, in addition to such other rights or remedies of Client may have hereunder or by law, Supplier, at no expense to Client, will obtain

for Client and its customers the right to use and sell said item, or will substitute an equivalent item, acceptable to Client, and extend this indemnity with respect to such item. In the event that Supplier is unable to secure such rights of use or to secure an equivalent item as substitute for Client or its customers, Supplier will indemnify Client and its customers for any and all losses or damages sustained by reason of such injunction.

8. Default

Supplier shall be in default hereunder if:

- (i) the Work is not provided or performed at the time or in the manner specified herein;
- (ii) (ii) the Supplier has breached any of the terms and conditions herein, which cannot be remedied within the time period given or where the Supplier has failed to remedy to the satisfaction of the Client; or
- (iii) Supplier becomes insolvent or bankrupt or its financial responsibility is otherwise impaired.

9. Termination

Client may terminate the Order in whole or in part at any time and for any reason upon notice to Supplier. Client may also terminate the Order in whole or in part, in case the Supplier fails to perform its obligations under the Order and this Agreement, by giving notice to Supplier requiring Seller to make good the failure and to remedy it within a specified reasonable time ("Default Notice"). If Supplier fails to comply with a Default Notice, Client may, upon notice to Supplier, terminate the Order without charge for work in progress and pay only the Work that has been accepted. Supplier shall cease work or cause its sub-Suppliers to cease work and to protect and preserve any and all property in which Client has or may acquire an interest. Client may require Supplier to transfer title and deliver to Client any and all property or items specifically produced or acquired by Supplier in connection with the Order. Client may also purchase, manufacture or produce products, goods or services similar to those specified in the Order from a third party as a result of a breach or non-performance by Supplier. Termination hereof shall not relieve Supplier of any obligation which may have arisen prior to such cancellation, including without limitation patent infringement, reproduction rights, latent or patent defects, fraud or warranty obligations.

10. Compensation

If Work is terminated for any reason, either in whole or in part, in accordance with Clause 9, Client with respect to such Work will pay Contractor, only for Work satisfactorily performed in accordance with this Agreement and obligations incurred prior to the effective date of termination, providing said Work was authorized by Client and are properly supported by time sheets endorsed by Client representatives, invoices and the like, and subject to the other provisions of this Agreement that may reduce or suspend payment. In the event Work is terminated by reason of Supplier's breach or failure to perform in accordance with this Agreement, Client shall have no obligation to compensate Supplier under this Agreement and Supplier shall:

- (i) be liable to pay the liquidated damages in accordance with Clause 2 (iv); and
- (ii) be liable for any cost incurred by Client in excess of the price which would have been paid by Client hereunder; and
- (iii) (for lump sum Work) refund to Client, the percentage of any lump sum which represents the percentage of Work not satisfactorily performed by Contractor in accordance with this Agreement; and
- (iv) (for non-lump sum Work) refund to Client, the amount which represents the Work not satisfactorily performed by Contractor in accordance with this Agreement.

For Work terminated in accordance with Clause 9, Client shall not be liable for any costs, claims, damages or liabilities whatsoever of Supplier or sub- Suppliers, including, without limitation, consequential loss, punitive or exemplary damages.

11. Changes

Buyer may, at any time by giving written notice to Supplier, make changes to the Order, including but not limited to the following: (i) specification, drawings, designs and data for Goods to be specifically manufactured for Client; (ii) method of shipment or packing; (iii) time or place of inspection, acceptance and delivery; and (iv) quantities of Goods. If any such change increases or decreases the cost or time required for performance of the Order, Client and Supplier shall equitably adjust the contract price or schedule or both. No claim by Supplier for adjustment shall be valid unless submitted to Client within 14 calendar days after the date of such change and that Client has issued a revised Order for such adjustments. No change proposed by Supplier shall bind Client until accepted by Client in writing.

12. Intellectual Property Rights

Supplier guarantees that the performance of the Work will not infringe any patent, industrial design, copyright or trademark and shall indemnify and save Client and its customers harmless from and against, any liability or expense by reasons of any claim or suit for alleged infringement of any patent, industrial design, copyright or trademark resulting from or arising in connection with the manufacture, sale, use, performance or other dispositions of any of the Work.

13. Force Majeure

No Party shall be in breach of any of its obligations under the Order, or liable for any delay or failure in performance of any of its obligations under the Order, to the extent that its performance is prevented, impeded or delayed by any act, event or circumstance, whether of the kind described herein or otherwise, which is not reasonably within the control of such Party, cannot be avoided by the exercise of due diligence and is not due to the affected Party's fault or negligence ("Force Majeure"). Subject to the immediately foregoing sentence, acts, events or circumstances constituting Force Majeure shall include (but not be limited to) the following:

- (i) fire, explosion, storm, earthquake, landslide, washout, epidemic or other acts of God;
- (ii) war (whether declared or undeclared), riot, civil war, blockade, insurrection, acts of public enemies, invasion, embargo, trade sanctions, revolution, sabotage, piracy or the serious threat of or an act of terrorism;
- (iii) strikes, lock out, or other industrial disturbances (other than those specific to Buyer or Supplier, as applicable);
- (iv) chemical or radioactive contamination or ionizing radiation; and/or
- (v) acts or omissions of a governmental authority.

Notwithstanding the above, the following events shall not constitute Force Majeure:

- (i) unavailability of funds;
- (ii) late delivery to Supplier of machinery, equipment, spare parts or consumables;
- (iii) a delay in the performance of Supplier's sub-suppliers or any other third party;
- (iv) normal wear and tear in materials and equipment or breakdowns in equipment; and/or
- (v) failure to provide or perform the Work as required under the Order caused by Supplier's negligent or intentional acts, errors or omissions of breach of, or default under the Order to the extent such breach or default is not excused by the occurrence of Force Majeure pursuant to this Clause 13.

If an occurrence of Force Majeure or its consequences continue for more than 30 calendar days, the unaffected Party shall have the right to terminate the Order by giving prior written notification to the affected Party.

14. Insurance

Without prejudice to Supplier's liability and responsibility contained elsewhere herein, Supplier shall procure and maintain at its own cost and expenses, any insurance(s) which is relevant and/or is required by law which Supplier is subject to, as well as in accordance with the delivery terms provided herein and the insurance shall need to be maintained in full force and effect throughout the entire duration of the Order. Supplier shall provide Client upon request evidence of such coverage as required. Supplier shall cause the insurers thereof to waive any and all rights of subrogation against Client and/or its co-venturers, their parent companies, subsidiaries, affiliates, consultants and their respective agents, officers and employees.

15. Business Conduct

Supplier agrees and will secure agreement by its sub-Suppliers that in connection with the Order and the activities contemplated herein, neither it nor any of its sub-Suppliers, and their respective representatives or affiliates shall take action, or omit to take any action that would: violate any Laws applicable to it and relevant to the Order; or (ii) cause the other to be in violation of any applicable Laws related to the business practices of the parties and relevant to the Order, including the U.S. Foreign Corrupt Practices Act, the UK Bribery Act, the Canada Corruption of Foreign Public Officials Act, and anti-bribery and anti-corruption laws in effect in those and various other jurisdictions. Any action or omission to take any action by Supplier in contravention of this Clause 15 shall constitute a material breach under the Order and all other agreements, contracts, transactions other than the Order: (i) between Client and Supplier; and (ii) between Client and any Affiliate of Supplier (collectively referred to as "Other Contracts"), whereupon Client shall be entitled to: (i) terminate the Order and all the Other Contracts.

16. Confidentiality

Supplier shall not, without Client's prior written consent, disclose any information relating to the Order to any persons.

17. Assignment

Supplier shall not, without the prior written consent of the Client, assign or transfer, in whole or in part, its rights and obligations under the Order to any person or entity other than an affiliate that is succeeding to all or substantially all of the business and assets of the assigning or transferring Party.

18. Severability

Each provision contained in the Order shall be enforceable independently of each of the others and its validity shall not be affected if any of the others is invalid. If any provision is void but would be valid if some parts of the provision were deleted, the provision in question shall apply with such modification as may be necessary to make it valid. If any provision of the Order, or the application of a provision to any person or circumstance, shall be held invalid or unenforceable, the remaining provisions shall not be affected and shall remain in full force and effect.

19. Non-waiver

The failure of Client or Supplier at any time to require performance of any of the provisions contained in the Order shall in no way affect the right of a Party to require any performance which may be due thereafter pursuant to such provisions; nor shall the waiver by Client or Supplier of any breach of any provision hereof be taken or held to be a waiver of any subsequent breach of such provision.

20. Amendment

The Purchase Order may not be supplemented, amended, modified or changed except by an instrument in writing signed by Client and Supplier and expressed to be a supplement, amendment, modification or change to the Order.

21. Governing Law; Dispute Settlement

The Order shall be governed by and construed in accordance with the provision of the Laws of Federal laws of Canada and Provincial laws of Ontario, without regard to the conflict of law principles.

The Parties irrevocably agree that the courts of Ontario, Canada shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Order, its subject matter or formation (including non-contractual disputes or claims).

22. No Third-Party Beneficiaries

Nothing expressed or referred to in the Order shall be construed to give any person or legal entity other than the Parties, any legal or equitable right, remedy or claim under or with respect to the Order. The Order and all of its provisions are for the sole and exclusive benefit of the Parties.

23. Entire Contract

The Purchase Order, together with these Terms and Conditions for Purchase of Goods and/or Services and any other documents incorporated herein and therein by reference, constitutes the sole and entire agreement between the Parties with respect to the performance of Goods and includes all representations and warranties, express or implied, and supersedes all prior or contemporaneous understandings, agreements, negotiations, and communications, both written or oral, with respect to the subject matter of the Order.

24. Notices

All notices and other communications to be given hereunder by either Party to the other shall be given in writing within the required time and shall be sent by courier or mail at such Party's address and shall be deemed given or made, and if by mail or courier, when received.

25. No Exclusivity

The Purchase Order is a non-exclusive agreement. Client is free to engage others to provide or perform the same as or similar to the Work to be provided under the Order. Client is not obligated to any minimum engagement of Work or future engagement of Work under the Order.