

1. DEFINITION

The term "Company" shall be deemed to include THOMSON TECHNOLOGY or its associate or subsidiary as the case may be.

2. WARRANTY

Where the product sold by the Company is also manufactured by the Company, the Company warrants the product supplied hereunder to be of the kind designated or specified. Unless otherwise expressly agreed in writing, the Company shall repair or replace any defective part or parts, ex-works the Company's plant or warehouse, which prove to be defective under normal and proper use within one year from the date of shipment provided that the purchaser gives the Company immediate written notice of such defect. On expiration of the Warranty period, any liability of the Company shall cease.

Where the Company performs service or repair labour on customer-supplied or customer-owned equipment, warranty shall be effective for that labour only, and shall be valid for three months from the date of performance, unless specifically agreed otherwise in writing. Warranty on new parts supplied by the Company in conjunction with this labour shall be warranted in accordance with the Company's standard product warranty terms, as stated herein.

Where the product sold by the Company is not also manufactured by the Company, but is manufactured by another manufacturer, the Company will provide all reasonable assistance necessary to obtain compliance by the manufacturer with the terms of its warranty.

The Company does not warrant the suitability of its product for any particular application unless specifically approved by the Company, based upon having received adequate information from the purchaser regarding that application.

The Warranty expressed herein constitutes the only Warranty of the Company and no other warranty or condition, statutory or otherwise, shall be implied.

3. TITLE

Notwithstanding the provisions of the Sale of Goods Act, R.S.B.C. 1996, Chap. 410 or comparable legislation the title to the product sold by the Company shall remain in the Company until all payments due have been fully made in cash except as otherwise expressly stipulated herein. The said product shall be and remain personal property. If default is made in any of the payments herein, the Company may retain any partial payments which have been made, as liquidated damages, and the Company shall be entitled to the immediate possession of the product and shall be free to enter the premises where the product may be located and remove it as the Company's property, or disable it from functioning, without prejudice to the Company's right to recover any further expenses or damages the Company may incur by reason of such nonpayment. Notwithstanding the terms hereof, risk will pass to the purchaser at point of delivery.

4. DELIVERY

Unless otherwise expressly agreed in writing, delivery of the product will be made ex-works the Company's plant or warehouse. Delivery dates herein specified are subject to prior sale of manufacturing and engineering space and to the receipt of all information necessary to allow maintenance of the Company's engineering and manufacturing schedules, and are estimates only. The Company accepts no responsibility whatsoever for deliveries not made in accordance with this schedule. The receiving of the product by the purchaser shall constitute a waiver of all claims for loss or damage due to delay.

5. PUBLICATIONS, DRAWINGS, ETC.

All sales literature, technical data, drawings and other information supplied by the Company are intended for general information only, and are not guaranteed accurate. Only information presented as "Certified" shall be deemed to imply accuracy, and only for that specific case for which it is issued. Drawings, software and other technical information supplied by the Company as a part of a sale of equipment are for the purchaser's use solely in conjunction with that equipment, unless specifically agreed to otherwise as a part of the terms of sale. Any use of the drawings and/or other technical information beyond this scope shall be contingent upon prior agreed compensation to the Company.

6. RETURNED MATERIAL

The Company's permission must be obtained before returning any material, whereupon the Company will furnish shipping instructions. Any material returned without permission will be held at the purchaser's risk and is liable to non-acceptance. Only standard stocked product may be returned for credit. When permission is granted for the return of material, credit will be allowed for the invoiced price less a restocking charge (minimum 25%) and less transportation charges. Any cost incurred in putting the material in saleable condition will be deducted from the allowed credit.

7. MATERIAL SUPPLIED BY PURCHASER

Where the product sold by the Company contains material (including software) supplied to the Company by the purchaser, the purchaser agrees to accept sole responsibility for any and all loss or damage which may occur to or arise from such material while in the Company's care, and to accept any liability caused by failure or misoperation of such material, including paying the Company's charges for correction or lost time.

8. PRICES, TAXES AND PAYMENTS

Prices do not include taxes unless specifically stated. Prices quoted are based on government taxes or regulations in force at the date of the sale proposal, and such prices are subject to increase or decrease in accordance with any changes in taxes or regulations made prior to delivery of the product.

All payments are due upon receipt of invoice unless otherwise agreed in writing. Where partial shipments are made at different times, pro-rata payments shall be made therefor. A letter of credit in a form acceptable to the Company may be required on any project at any time prior to delivery. If shipments of the product or any material part thereof, are delayed for any cause for which the purchaser is directly or indirectly responsible, the date of completion of the product by the Company shall be regarded as the date of shipment in determining when payments for said product are to be made, and the Company shall be entitled to receive reasonable compensation for storage, which shall be at the purchaser's risk. The purchaser agrees that should any of the payments not be made to the Company when due, a service charge on such overdue payments shall be levied by the Company and paid by the purchaser until the price including service charges has been fully paid, but this shall not be construed as obligating the Company to grant any extension of time in the terms of payment. The minimum billing on any order shall be \$100.00.

9. FORCE MAJEURE

The Company shall not be responsible or liable for any loss, damage, detention or delay caused by war, invasion, insurrection, riot, the order of any civil or military authority, or by fire, flood, weather or other acts of the elements, breakdown, lockouts, strikes or labour disputes, the failure of the Company's suppliers to meet their obligations, or, without limitation of the foregoing, any other cause beyond the reasonable control of the Company.

10. LIMITATION OF LIABILITY

Notwithstanding any other provision in this contract or any applicable statutory provisions, neither the Company nor the purchaser shall be liable to the other for special, punitive or consequential damages or damages for loss of use arising directly or indirectly from any breach of this contract, fundamental or otherwise or from any tortious acts or omissions of their respective employees or agents and in no event shall the liability of the Company exceed the unit price of the defective product or of the product subject to late delivery. The receiving of the product by the purchaser shall constitute a waiver of all claims for loss or damage due to delay. Any responsibility associated with the Company's performance of work off the Company's premises is stated in the document "Off Premises Work Policy" (copy available upon request), the terms of which the purchaser agrees to as a condition of retaining the Company to do said work.

11. CUSTOMER'S DESIGN

Where the product sold by the Company is manufactured to the design, specification or other criteria as defined by the purchaser, the Company shall not be held liable for special, punitive, consequential, loss of use or other damages as may directly or indirectly arise from any fault of the purchaser's criteria. The purchaser accepts full responsibility for determining suitability of said product in the form as ultimately provided by the Company, and agrees to reimburse the Company for any costs resulting from failure or unsuitability of specified equipment or software.

12. AGREEMENT

These General Conditions of Sales, inasmuch as they form a part of a Proposal by the company to sell its product or services, shall constitute the entire agreement between the parties and there are no other agreements or understandings, either written or oral, to conflict with, alter or enlarge this agreement unless agreed to in writing by the Company subsequent to the date of acceptance of the Proposal. The purchaser agrees that any terms and/or conditions received by the Company from the purchaser subsequent to the Company's Proposal will be considered general information only, and will be subordinate to terms and conditions contained herein, unless specific written exception is given by the Company. Acceptance of the purchaser's order is subject to approval of the purchaser's credit by the Company. Notwithstanding such acceptance and/or approval if in the Company's judgement the purchaser's financial condition does not at any time warrant the continuation of production or shipment on the original terms, the Company reserves the right to request payment in advance.

13. CONTRADICTION

In the event of a contradiction between a purchaser's order and the Company's subsequent acknowledgement of that purchase order, the acknowledgement shall take precedent.

14. ARBITRATION

Any unresolved dispute or claim arising out of or related to a transaction between the Company and a purchaser shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules in effect at that time. The appointing authority shall be the British Columbia International Commercial Arbitration Centre. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one.