GENERAL TERMS AND CONDITIONS OF PURCHASE

The following terms and conditions of purchase shall apply to any purchase of goods and services by ZTR Control Systems (hereinafter called "ZTR"). Supplier shall be deemed to have full knowledge of the terms and conditions herein and such terms and conditions shall be binding if either the goods and services referred to herein are delivered to and accepted by ZTR, or if Supplier does not within five days from the date hereof deliver to ZTR written objection to said terms and conditions or any part thereof.
No addition to or variation of these terms and conditions shall be binding upon ZTR Control Systems unless expressly agreed in writing by an authorized representative of ZTR Control Systems.

"**Agreement** " means the agreement constituted by these terms and conditions, and any other terms and conditions relating to the supply relationship between the parties which are agreed by the parties and recorded in written correspondence between the parties.

"Confidential Information" means any information provided by the Company to the Supplier concerning its product requirements, product specifications, business, customers (including contact details, customer names, product requirements, product spend details, the types and specifications of products and service supplied by the Company to its customers, the prices and terms on which the Company provides products and services to its customers), contracts, system and system access details, customer ordering and business software, product cost and pricing, sales methods and techniques, sales figures, marketing plans, budget and other financial information, employee details, internal business policies and procedures, and any information generated during and as a result of the Agreement (including any pricing arrangements, settlement discounts, rebate deals, terms of payment, other terms of trade, joint marketing plans and artwork, design and specifications for any products manufactured specifically at the Company's request), but does not include:

(a) information or knowledge which is already publicly known or which subsequently becomes generally publicly known other than as a direct or indirect result of a breach of this Agreement; or
(b) information or knowledge which is required to be disclosed by law.

"Company" means ZTR Control Systems.

"Supplier" means the company or persons who have been engaged to provide goods and services to the Company.

"Products" means goods of the type customarily supplied by the Supplier, and ordered by the Company from the Supplier from time to time

"**Services**" means the services which the Supplier is to provide to the Company, ancillary to the supply of the Products, and as otherwise requested by the Company from time to time.

"Purchase Order" means a document issued by the Company to the Supplier indicating types, quantities, and agreed prices for products or services the Supplier will provide to the Company. A PO constitutes a legal offer to buy products or services and acceptance by the Supplier creates a one-off contract.

1. Exclusivity

The engagement of the Supplier is non- exclusive and the Company may engage any other person to provide the products and/ or services or similar products and services from time to time.

2. Authorized Representatives

The authority to contractually obligate the Company for prices, quantities, services, discounts, and rebates resides solely with the Purchasing Department staff. Other Company staff cannot imply or offer intent to purchase.
Pricing, terms, and commitment to purchase can only come from an authorized Purchasing Department staff member.
All requests to Suppliers for price information, specifications, demonstrations, samples, and trials of routine goods and services should be coordinated through the Purchasing Department.
Management staff may request pricing information directly from a Supplier representative for the sole purpose of budget preparation. This should not in any way be interpreted as a purchase order or a commitment to purchase.

3. Acceptance

This Agreement does not oblige the Company to order any products from the supplier. A binding contract for the supply of products only arises when the Supplier receives either a purchase order signed by an authorized representative of the Company or, where electronic trading has been implemented, an electronic order that complies with all the security and verification procedures established by the parties. The Supplier is deemed to have accepted a purchase or electronic order if the (i)Supplier does not reject the order within 12 hours of receiving it, (ii)Supplier's initiation of performance under the purchase order or (iii)Supplier's acceptance of any payment by the Company. No other document, including the Supplier's proposal, quotation, or acknowledgment form, will be part of this agreement, unless specifically agreed to in writing by the Company.

4. Assignment

The Supplier must not assign any of its rights under this Agreement without the Company's prior written consent. The Supplier must not subcontract any of its obligations under this Agreement without the Company's prior written consent. No subcontract, whether consented to or not, relieves the Supplier from any obligations under this Agreement. The Supplier must ensure that any subcontractor it retains fully complies with this Agreement in performing the subcontracted obligations.
The Supplier must not commit or purport to commit the Company to pay any money unless specifically authorized by this Agreement or agreed to in writing by both parties.

5. Pricing

Pricing may not be altered by the Supplier with out prior written consent of the Company.
The Company shall be entitled to the benefit of any decrease in the Supplier's price due to:
(a) promotional sales or special offers as made generally available from time to time; and/or
(b) successfully meeting or exceeding any quality or dollar value targets as agreed between the parties.

6. Payment
Unless the purchase order states otherwise, the terms of payment will be net 60 days either after receipt of the Supplier's valid invoice or after receipt of the products or services, whichever is later. In the event the Supplier has not received payment as agreed, the Supplier will notify the Company and the Company will make prompt payment. Payment of invoices will not be deemed acceptance of products or services, but rather such products or services will be subject to inspection, test, acceptance or rejection in accordance with the acceptance or completion criteria as specified in the relevant purchase order. The Company may, at its option, either reject products or services that do not comply with the acceptance or completion criteria for a refund, or require the Supplier, upon the Company's written instruction, to repair or replace such products or re-perform such services without charge and in a timely manner.

7. Cancellation
A purchase order may be terminated by the Company at any time in its discretion by written notice to the Supplier unless otherwise agreed to by the Company and the Supplier and without penalty or payment of cancellation charges. The Supplier will have no claim against the Company for damages or loss of profits arising out of or relating to the termination of the purchase order by the Company.
All product returns in the case of breach of warranty or this Agreement will be at the Supplier's cost.

8. Force Majeure
Fires, floods, strikes, acts of terrorism, war, acts of God, lockouts, epidemics, accidents, shortages of transportation, any governmental warnings that either party might reasonably rely upon which would curtail their operations, or any other causes beyond the reasonable control of the parties, which prevent a party from performing its obligations hereunder, shall operate to suspend such obligations during the period required to remove such cause or causes, subject, however, to the Company's right of cancellation as stated above.

9. Packaging, Shipping & Delivery
All parts delivered must be new. The Company will not accept any parts that are used, demonstrators, rebuilt, reconditioned or remanufactured without prior written notification and agreement to such.
All Products supplied must:
(a) be properly packed and marked by the Supplier complying with the Company's instructions (if applicable) and any statutory requirements;
(b) be clearly, truthfully and accurately labelled with printed, legible labels.
All packing slips, invoices and statements shall show the purchase order number, manufacture name & part number and the Company part number when applicable as shown in this contract.
Where a single shipment is ordered and a partial shipment is made at the Supplier's convenience, the Supplier will pay the excess transportation costs resulting from the partial shipment.
All deliveries are F.O.B. Destination, Freight Collect unless otherwise agreed to by the Company and Supplier and shall be made within 2 days (before or after) of the estimated delivery date provided by the Supplier. Deliveries not made within this window will be considered as early/late by the Company. Additional delivery time will be allowed for back-ordered items when proper notification is given in writing to the Company.

10. Products
All products supplied must comply with the Company's specifications. Under no circumstances is the Supplier to supply an alternative product or product component without the Company's specific prior consent being obtained. The Supplier will be liable for all claims, action, demands, cost, and expenses; including damage to property, personal injury and loss of income should litigation be directed toward the Company as a result of a substitute product or product component being supplied by the Supplier and not approved by the Company. Any substitute product must be submitted to the Company for examination prior to supply. Independent test reports and certification from a recognised authority must accompany the test sample.

11. Warranty
Seller expressly warrants that: (1) all goods will conform to plans, drawings, specifications or samples furnished by the Company or furnished by the Supplier and approved and accepted by the Company, it being understood that such plans, etc., are incorporated by reference and made a part hereof; (2) all goods will be of merchantable quality, fit and sufficient for the purpose ordered and will be free from defects, latent or patent, in material and workmanship; (3) all services will be performed in a workmanlike, efficient and safe manner and will conform to standards generally accepted in the trade or industry involved; and (4) it has clear title to the goods, and the goods are and will be free from any security interest, lien or encumbrance.

12. Remedies
If any of the goods or services are found within a reasonable time after delivery to the Company to be defective in material or workmanship or otherwise not in conformity with the requirements of this order, the Company, in addition to any other rights which it may have hereunder, at law or in equity, may, at its option (a) reject and return such goods at the Supplier's expense, in which event the Supplier shall either issue a full refund to the Company for all monies paid to the Supplier or replace such goods, depending upon the written instructions issued by the Company; or (b) upon notice to the Supplier, take such actions as may be required to cure all defects and/or bring the goods into conformity with all the requirements of this order, or procure replacement goods from an alternate supplier, and in any of the foregoing circumstances. Any and all damages, costs and expenses incurred by the Company in the exercise of its rights under this clause shall be promptly reimbursed by the Supplier. All rights and remedies of the Company, whether provided by this order or by law shall be cumulative and may be exercised singly or concurrently.

13. Intellectual Property
The Supplier acknowledges and agrees that the Company shall be the sole and exclusive owner of all intellectual property rights related to any and all Products, inventions, discoveries, modification innovations, enhancements, improvements, know-how, computer programs, screen displays, integrated circuits, adaptations, documentation, specifications, designs and all other works, articles, concepts or ideas developed, made, written, created, discovered or designed by the Supplier, its employees, agents and Suppliers, in the course of, or for the purposes of, providing the Products and Services (including all samples, drafts, moulds, artwork, designs, film and proofs). This clause does not affect the ownership of pre-existing intellectual property which shall continue to belong to its rightful owner, provided that the Supplier will ensure the Company has the right to use the same for the purposes of this Agreement.
Except for the purposes of this Agreement, the Supplier is not permitted to do any of the following, whether directly or indirectly through another person or entity, without the prior written consent of the Company:
a) Reproduce or manufacture, whether for sample purposes or otherwise, any product the intellectual property rights in which belong to the Company;
b) Reproduce, copy or display the image of any product the intellectual property rights in which belong to the Company; or
c) Give away, deal with, or sell any product to which the intellectual property rights belong to the Company The Supplier must return all product, documents and other materials, the intellectual property rights in which belong to the Company , on request, or otherwise upon termination of the supply relationship.

The Supplier must exercise reasonable care to protect the Company's intellectual property.

14. Indemnity

Supplier agrees to indemnify, save harmless and, at the Company's sole option, defend the Company and the Company's directors, officers, employees and agents from and against all claims, demands, damages, costs, losses, liabilities, causes of action, suits, fines, penalties and expenses (including reasonable attorneys' fees through final appeal), whether at law, in equity, or administrative in nature, in any manner arising out of, resulting from, caused by or in connection with: (i) this Agreement, (ii) Supplier's breach of this Agreement, (iii) personal injury or death, (iv) property damage, (v) violation of federal, provincial/state, or local law, regulation, rule or ordinance pertaining to the Work. Nothing herein shall be construed as making Supplier liable for any injuries, deaths or damage caused by the sole negligence of Purchaser.

15. Limitation of Liability

To the extent permitted by local law in no event will the Company (including the Company's parent, subsidiaries or other related legal entities) be liable for any lost revenues, lost profits, incidental, indirect, consequential, special or punitive damages.

16. Default

The Company may at its sole discretion terminate the Agreement by giving notice effective immediately if at any time:
(a) the Supplier is in breach of any of the terms of this Agreement; or
(b) the Supplier is or becomes bankrupt, or goes into liquidation, or makes a composition or arrangement with creditors generally, or takes advantage of any statute for the relief of insolvent debtors.

17. Applicable Laws

This agreement is governed by the laws of the Province of Ontario.