

SALE TERMS AND CONDITIONS

Kotrade Inc. (henceforth "Seller") desires to provide its customers (henceforth "Buyer") with prompt and efficient service. However, to negotiate individually the terms and conditions of each contract would substantially impair Seller's ability to provide such service. Accordingly, goods furnished by Seller are sold only on the terms and conditions stated herein. Notwithstanding any terms or conditions of Buyer's purchase order, any sale by Seller to Buyer is expressly made conditional on Buyer's agreement to Seller's Terms and Conditions. These Terms and Conditions contain the entire and only agreement between the parties with respect to the goods; any representation, promise or warranty not specifically incorporated herein in writing shall not be binding on either party. These Terms and Conditions may be modified only by Seller, or with Seller's authorisation.

1. CANCELLATION of PURCHASE ORDERS. Purchase orders accepted and confirmed by Seller may be cancelled by Buyer only upon written consent of Seller. In the event of cancellation or other withdrawal of a purchase order for any reason, and without limiting any other remedy which Seller may have as a result of such cancellation or other withdrawal, cancellation or restocking charges, which shall include all expenses then incurred on commitments made by Seller, shall be paid by Buyer to Seller.

2. NC/NR. Under specific circumstances (including, but not limited to: Buyer requires a scheduled delivery; Buyer places a purchase order with an extended lead time) Seller will issue Buyer with a Legally Binding NC/NR contract stipulating that the parts ordered are Non Cancellable and Non Returnable, to be signed by Buyer and returned to Seller. Seller must receive a signed copy of the agreement before Seller will accept Buyer's purchase order.

3. DELIVERY. Title to all goods shall pass to Buyer upon Seller's receipt of payment. Seller shall not be liable for delays in delivery due to any causes, including, without limitation, acts of God, acts or omissions of Buyer or civil or military authorities, fires, strikes, epidemics, quarantine restriction, flood, earthquakes, riot, war, delays in transportation or inability to obtain necessary labour, materials or supplies. In the event of any delay, the contractual date of delivery, if any, shall be extended for a period equal to the time lost as a consequence of such delay without penalty to Seller. Seller shall be entitled to refuse or to delay shipments for failure by Buyer to pay promptly any payments due Seller, whether on this or any other contract between Seller and Buyer. Seller shall have the right to deliver all goods covered hereby at one time or in portions, unless otherwise agreed to in writing by both parties.

4. TERMS. Terms of payment for new customers are Advance Payment only (TT, credit card, cheque, etc. to be determined by both parties before placement of purchase order by Buyer); Seller's goal is to be able to eventually offer Net 30 Terms to all Buyers, but all Terms granted are based upon merit. Special exceptions may be made, but must be requested in writing before placement of purchase order by Buyer.

5. PAYMENT. Payment will be made via a mutually accorded method, and Buyer will be supplied with all the requisite banking co-ordinates. In the event that payment is not received within the agreed-upon period dictated by the Terms granted (see **4.** above), any unpaid balance shall commence to bear interest at the rate of 2% per month from the 1st day after invoice due date. Repeated tardiness in remittance may result in Terms being revoked.

6. TAXES. Seller's quoted prices do not include sales, use, excise or any other form of taxes. Accordingly, Buyer shall pay any of the aforementioned taxes attributable to the sale of the goods covered hereby, or in lieu thereof, provide Seller with tax exemption certificates acceptable to the taxing authorities.

7. SHORTAGES. Any claims of shortage must be reported to Seller within three (3) business days of receipt of shipment.

8. RETURNS. No returns will be accepted without authorisation from Seller. Upon Buyer's notification that a return is required, Buyer must supply Seller with an official and legitimate failure report or a request for a return for other reasons the acceptance of which will be at the sole discretion of Seller. Upon Seller's permission for return, Buyer will be supplied with a date-restrictive RMA which, amongst others, will include instructions on method of return; any deviation from said instructions without Seller's written consent will render RMA (and subsequent credit or refund) null and void.

9. WARRANTIES AND REMEDIES. Seller warrants that, at the time of delivery, the goods covered hereby are in accordance with their manufacturer's specifications, but makes no other warranty with respect to such products. Should goods not be in such condition, no returns, credits or RMAs will be authorised without an official and legitimate failure report from Buyer listing said deviations from the manufacturer's specifications. Seller agrees, as Seller shall elect, to credit the account of Buyer or replace without charge to Buyer all goods which at the time of delivery are not in such condition, but only if Buyer obtains an RMA from Seller and returns such goods within thirty (30) days from the date of delivery, in original package and condition of delivery, without their numbers or any part thereof altered, defaced, or removed, to Seller's plant of shipment. Final inspections and conclusive determination whether goods are in accordance with such original condition (and are, in fact, the parts that were shipped by Seller to Buyer, and not parts bought by Buyer from another vendor and shipped to Seller, in an attempt to defraud Seller) shall be made at Seller's plant, or at an internationally recognised testing house of Seller's choice. Unless otherwise agreed in writing by both parties, all merchandise provided by Seller is shipped with a thirty (30) day warranty. In no event shall Seller's liability hereunder exceed the Buyer's purchase price. Seller's sole liability shall be to credit the account of Buyer or to replace goods which are not in accordance with such original condition in accordance with the terms hereof and in no event shall Seller be liable for incidental, consequential or other damage of any kind. The foregoing remedy as provided herein shall be the sole and exclusive remedy of the Buyer. Seller shall not be liable for any damages due to delay in deliveries, service, use of equipment or other performance as specified in this agreement and shall in no event be liable for incidental, consequential or any other damages.

10. INFRINGEMENT DISCLAIMER. Seller expressly disclaims any and all warranties against third party claims for infringement or the like, and shall have no obligation of any kind to the Buyer for claims brought by third parties against the Buyer for infringement or the like arising out of or in any way related to goods purchased by the Buyer from Seller.

11. TECHNICAL DATA. Buyer shall not use, duplicate or disclose any technical data delivered or disclosed by Seller to Buyer for any purpose other than for installation, operation or maintenance of goods purchased by Buyer without Seller's prior written consent. Furthermore, to the extent Seller offers technical assistance or suggests alternative parts based on technical information available to Seller, Seller does not guarantee that this assistance is correct or that suggested part alternatives are based on the most recent data or that our interpretation and accuracy of the data is correct. Buyer is solely responsible for confirming the validity of the assistance and the specifications as well as determining the appropriateness and compatibility in selecting part(s) for their application.

12. DISPUTES. All disputes with respect to any contract concerning the goods not otherwise resolved between Seller and Buyer shall be resolved in a court of competent jurisdiction for the location of Seller's place of business filling the purchase order, and in no other place; provided, however, that in Seller's sole discretion such action may be heard in some other place designated by Seller (if necessary to acquire jurisdiction over third persons), so that the dispute can be resolved in one action. Buyer agrees to appear in any matter connected with the goods furnished or services rendered by Seller. No action may be brought against Seller by Buyer more than six (6) months after the cause of action has occurred.

13. LEGAL JURISDICTION. This Agreement and subsequent interactions by the parties hereunder shall be governed by and construed in accordance with the laws of the country from which the goods at issue were shipped.