

**TERMS AND CONDITIONS OF SALE**

These terms and conditions of sale shall apply to all services, equipment, goods or products manufactured, distributed or sold by INDUSTRIES RADA Ltée. ("Seller") unless otherwise agreed in writing by the Seller and the Purchaser.

**1. ACCEPTANCE OF CONDITIONS**

The Purchaser, upon receipt of the Seller's acknowledgement of an order, or upon receipt in whole or in part of the shipment sold under an order, or upon payment in whole or in part for the equipment, workmanship, goods, products, related materials supplied hereunder, ("Equipment") or rendition of services ("Services") or both, shall be deemed to have given unconditional acceptance of these terms and conditions. Any deletions from, alterations or modifications or additions to the terms and conditions of this order, shall not be binding unless they are expressed in writing and signed by both the Seller and the Purchaser's authorized representatives.

**2. DELIVERY**

2.1 Equipment sold hereunder unless agreed otherwise shall be delivered Ex Works (...named place) as per Incoterms 2010, depending on specified means of transportation. Delivery dates specified in any quote are approximate, unless specified as binding. Delivery performance is dependent upon prompt receipt from the Purchaser of all specifications, final approved drawings and any other details essential to the proper execution of the Purchaser's order.

2.2 Upon notification of readiness of Equipment by Seller to Purchaser, Purchaser shall promptly take delivery of the Equipment. Purchaser's delay to take delivery of the Equipment shall result in Purchaser paying storage, maintenance and associated charges and Seller shall invoice Purchaser as if shipment or other performance had been made as originally scheduled. Such storage, handling maintenance shall be performed at Purchaser's cost and risk. Failure of Purchaser to take prompt delivery shall result in payment terms tied to such delivery becoming due immediately and payable. The Warranty Period hereinafter defined will begin upon such notification of readiness.

2.3 Unless otherwise agreed upon between the parties, Purchaser shall have the sole responsibility of choosing the carrier and routing from Seller's manufacturing facilities to the final destination.

**3. FORCE MAJEURE**

The Seller shall not be liable for delays in the execution of its obligations due to causes beyond its reasonable control including but not limited to acts of God, acts of the Purchaser, fires, strikes, labour disturbances, floods, epidemics, quarantine restrictions, war, insurrection or riot, acts of a civil or military authority, compliance with priority orders or preference ratings issued by any Government, acts of Government authorities with respect with to revocation of export or re-export permits/licenses, freight embargoes, car shortages, wrecks or delays in transportation, unusually severe weather, or inability to obtain necessary labour, materials or manufacturing facilities or supplies or delays of sub-contractors. In the event of any such delay, the date of shipment will be extended for a minimum of time equal to the period of the delay. The contract of sale will in no event be subject to cancellation by the Purchaser, due either to delay in delivery or to any other cause, without the prior written consent of the Seller. In the case of cancellation, cancellation charges judged adequate by Seller shall apply.

**4. WARRANTIES**

4.1 The Seller warrants that during the warranty period hereinafter defined the Equipment sold shall be free from defects in material and workmanship and shall be of the kind and quality designated or described in the specifications.

4.2 If within ninety (90) days from the date of notification of readiness of shipment the Equipment does not meet the warranties specified above, the Seller agrees to correct any defect, at its option, either by repairing any defective parts, or by making available Ex Works, repaired or replacement parts,

provided the Purchaser notifies the Seller promptly of any such defects.

4.3 The cost of removal of the defective Equipment from its related system, site and/or ancillary equipment, and the cost of its reinstallation in such system, site and/or ancillary equipment, including all transportation costs to and from Seller's plant or repair shop, shall be borne exclusively by the Purchaser. The Purchaser shall not return or dispose of any Equipment or part thereof with respect to which it intends to make a claim under the foregoing warranty, without the Seller's express prior written authorization.

4.5 Where Seller supplies Services, Seller warrants that it shall re-perform Services which are found to have been performed other than in a professional manner and in accordance with sound, generally accepted and professional practices in effect at the time of performance, provided Seller receives written notification of the defect within thirty (30) days from date of such performance.

4.6 THE EXPRESS WARRANTIES SET FORTH IN THIS ARTICLE ARE EXCLUSIVE AND NO OTHER WARRANTIES OF ANY KIND, WHETHER STATUTORY, ORAL, WRITTEN, EXPRESS OR IMPLIED, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, SHALL APPLY. THE PURCHASER'S EXCLUSIVE REMEDIES AND THE SELLER'S ONLY OBLIGATIONS ARISING OUT OF OR IN CONNECTION WITH DEFECTIVE EQUIPMENT OR SERVICES OR BOTH, WHETHER BASED ON WARRANTY, CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, SHALL BE THOSE STATED HEREIN.

**5. LIMITATION OF LIABILITY**

5.1 The liability of the Seller, its agents, directors, officers, subcontractors, suppliers, for all claims, actions, judgements, expenses related to or resulting from any loss or damage arising out of performance or non-performance of obligations in connection with the design, manufacture, sale, delivery, storage, of the Equipment shall in no case exceed Seller's net unit price Ex Works of such Equipment or part thereof involved in a claim. Where Seller sells Services, the liability of the Seller, its agents, directors, officers, employees, subcontractors, suppliers for all claims, actions, judgment, expenses related to or resulting from any loss or damage arising out of performance or non-performance of Services, shall in no case exceed in the aggregate the amount paid by the Purchaser to Seller for the Services performed under the order.

5.2 No such claim shall be asserted against the Seller, its agents, directors, officers, employees, subcontractors, suppliers, unless the injury, loss or damage giving rise to the claim is sustained prior to the expiration of the period of warranty herein and no suit or action thereon shall be instituted or maintained unless it is filed in a court of competent jurisdiction within one year after the date the cause of action accrues.

5.3 In no event shall Seller be liable for loss of profit and for any indirect, special, incidental or consequential damages of any nature or kind including but not limited to delays, loss of revenue, loss of use, loss of data, loss of production, costs of capital or costs of replacement power, even if Seller has been advised of the possibility of such damages.

**6. PRICES & PAYMENT TERMS**

6.1 Prices are valid thirty (30) days from date of quotation by Seller. Price adjustment clauses, if applicable, will be stated at the time of quotation and a copy will be included as part of these Terms and Conditions, in an Appendix thereto.

6.2 All prices are Ex Works unless otherwise specified in writing by Seller. Prices quoted do not include federal, provincial, local or any other taxes, charges, levies and duties, and if same are applicable these shall be promptly paid by the Purchaser. Purchaser shall reimburse Seller any late payment penalty.

6.3 Seller reserves the right to adjust prices on any order for any alterations or changes authorized or made by the Purchaser subsequent to acceptance of the order.

## INDUSTRIES RADA Ltée

6.4 All prices are in Canadian Dollars unless otherwise specified.

6.5 Payment shall be made direct to Seller's office in accordance with the conditions stated in the order. Unless otherwise specified, payment shall be due net thirty (30) days from the date of sending of the relevant invoice by the Seller, and time is of the essence in Purchaser's execution of any payment hereunder. Any late payment shall bear interest at the rate set by the Seller from time to time which is one percent (1.0%) per month, twelve percent per annum (12%), at the date of issue, calculated and due on a monthly basis.

### 7. DAMAGES & LOSS CLAIMS

7.1 Seller shall carefully pack all Equipment sold hereunder and the Seller shall assume no responsibility for damage after having received "in good order" receipts from the carrier at Seller's works.

7.2 All claims for loss, damage and delay in transit are to be transacted by the consignee directly with the carrier. Claims for shortages or incorrect equipment must be made in writing to the Seller within fifteen (15) days after receipt of the shipment. Failure to give such notice shall constitute unqualified acceptance and a waiver by the Purchaser of all claims for shortages or incorrect equipment.

### 8. ACCEPTANCE OF GOODS

8.1 The Purchaser shall examine the Equipment upon taking possession of same and shall inform Seller immediately in writing of all defects and deficiencies for which Seller is responsible. If Purchaser omits to so notify Seller within fifteen (15) days of Purchaser's possession of the Equipment, same shall be deemed to have been accepted.

8.2 If it is found from one of the Equipment does not fulfil the terms of the order, the Purchaser shall make available to Seller suitable opportunity to remedy any deficiency.

8.3 The Purchaser shall have no other rights than the rights outlined above, in case of delivery of deficient equipment.

### 9. CANCELLATION

9.1 The Purchaser may cancel the agreement up to the moment the Seller has started production of the Equipment. In such event, the Purchaser remains liable to pay the lesser of the value of the order or all non recoverable costs plus a 15% mark up;

9.2 Where Seller supplies Services, Seller or Purchaser may cancel the agreement in part or in totality with 45 days of notice during which the Seller shall pursue his activities and the Purchaser shall be obligated to pay for the Services rendered.

### 10. GENERAL

10.1 Purchaser shall not assign this contract or any part thereof without the written consent of the Seller.

10.2 Any order received by the Seller is subject to credit approval and may be cancelled if the Purchaser's credit standing is not satisfactory to Seller.

10.3 This Agreement and any order or contract placed hereunder shall be interpreted according to the laws of the Province of Quebec.

10.4 No terms of Purchaser's purchase order shall apply to this contract, even if subsequent to the terms and conditions hereof, unless agreed in writing by an authorized representative of the Seller.

10.5 No penalties or liquidated damages shall apply pursuant to the inexecution of Seller's obligations hereunder, unless accepted in writing by Seller's authorized representative.

10.6 These terms and conditions shall supersede and abrogate all previous communications, obligations, commitments or agreements, oral or written, expressed or implied, between the Purchaser and the Seller, in relation to this Agreement and all

provisions under the United Nations Convention on Contracts for the International Sale of Goods.

10.7 Purchaser and Seller acknowledge having specifically requested that this Agreement and all related documents and correspondence be drafted in English.

10.8 Any addenda or appendices to this Agreement, to be applicable to any order hereunder, must be signed by both Purchaser's and Seller's respective authorized representatives.

10.9 The invalidity in whole or in part of any part of this Contract shall not affect the validity of the remainder of the Contract.