

Armament Technology Incorporated Standard Terms and Conditions of Sale

1. **Controlling Provisions.** Unless otherwise expressly agreed upon in writing, Buyer's purchase order ("Order") shall be exclusively subject to these terms and conditions of sale. All terms and conditions contained in any prior oral or written communication, including, without limitation, Buyer's Order, which are different from or in addition to the terms and conditions herein are hereby rejected and shall not be binding on Seller, regardless of whether or not such terms and conditions materially alter this document, and Seller hereby objects thereto. Buyer will be deemed to have assented to all terms and conditions contained herein if any part of the goods and/or services described herein are shipped or an invoice is presented in connection with said goods and/or services.
2. **Governing Law.** The Order, and these terms and conditions, and any subsequent changes thereto, shall be construed and enforced in accordance with the laws of the Province of Nova Scotia, excluding its choice of law provisions.
3. **Assignment.** Neither party shall sell, assign, or in any manner transfer any of its obligations under these terms and conditions (other than for the purposes of corporate reconstruction, reorganization, merger, or analogous proceedings) unless the other party gives prior written consent. Any attempted assignment without such consent shall be void.
4. **Publicity, announcements, and advertising.** Unless Seller gives prior written consent to Buyer, Buyer shall not, in any manner, advertise, publish, distribute, or use any information developed under or about the existence or subject matter of this Order, or use any trademarks or trade names of Seller in Buyer's advertising or promotional materials without prior written approval of Seller.
5. **Limitation of Liability.** The liability of Seller, if any, and Buyer's sole and exclusive remedy for damages for any claim of any kind whatsoever with respect to this sale, any supplemental sale of products or with respect to any of the goods covered thereby, and regardless of the legal theory or the delivery or non-delivery of products, will not be greater than ten percent of the actual purchase price of the goods with respect to which such claim is made. Under no circumstances will either party be liable to the other for any indirect, special, incidental, or consequential damages (including, but not limited to, costs of removal and reinstallation of items, loss of goodwill, loss of revenues or profits, loss of use, injury to persons or property) arising out of any breach of this agreement whether such damages are labeled in tort, contract, or indemnity, even if seller has been advised of the possibility of such damage.
6. **Invoices and payment.** Seller's invoices shall be itemized to show goods delivered and/or services rendered. Following receipt of such invoices, Buyer shall pay Seller upon net 30 days from receipt of said invoice, unless otherwise provided.
7. **Disputes.** All disputes, claims, or controversies arising under or related to the Order or this document which are not amicably resolved by mutual agreement within a reasonable time shall be settled by arbitration. The arbitration shall be held in Halifax, Nova Scotia and shall be conducted in accordance with the rules of the American Arbitration Association in effect at the time the proceedings begin. The arbitration panel shall consist of three (3) arbitrators, one (1) appointed by each party and the third appointed by the first two members. The arbitration tribunal shall resolve the questions submitted, award the relief to which each party may be entitled, and allocate the costs of arbitration. Notwithstanding the foregoing, each party shall bear the burden of its own counsel fees incurred in connection with any arbitration proceedings under this Order. The decision of the arbitrators shall be final, binding on the parties, not subject to appeal, and enforceable.

- by any court having jurisdiction over the necessary party or its assets. Pending resolution or settlement of any dispute arising under this Order, Seller will proceed diligently with the performance of the Order or any change thereto in accordance with the decision and instructions of Buyer.
8. **Excusable delay.** Seller and Buyer shall be excused from, and shall not be liable for, failure of performance of its obligations hereunder due to a cause beyond their reasonable control, and not occasioned by its negligence or default, such as, by way of example and not by way of limitation, one or more of the following events: war, warlike operation, insurrection, fire, governmental act in its sovereign capacity, riot, flood, embargo, act of God, terrorism, epidemic, quarantine restrictions, strikes, natural disasters, sabotage, and unusually severe weather (“Force Majeure”). The party affected by the Force Majeure shall, however, so notify the other party’s authorized representative in writing within ten (10) calendar days of the start of the Force Majeure event, such notification including an explanation of how such event was beyond the control of such party and what efforts such party will make to minimize the length of delay. The Order shall be extended for that period of time attributable to such event.
 9. **Contract direction/authorized representative.** Seller’s authorized representative is the only individual authorized to make changes to these terms and conditions. Any such amendments must be in writing.
 10. **Export control.** Seller and Buyer agree to obey all export control restrictions with respect to the performance of services and/or the manufacture of goods pursuant to this Order, including but not limited to the restrictions of the U.S. International Traffic in Arms Regulations (ITAR), the U.S. Department of Commerce Export Administration Regulations (EAR), and all Canadian export regulations. Each party shall indemnify and hold harmless the other party from any and all violations of such export control restrictions with respect to such performance of services and/or the manufacture of goods. This shall include, but not be limited to, each party obtaining any and all export license(s), manufacturing license agreements, technical assistance agreements, or other export control license/agreement necessary for the performance of its obligations under the Order.
 11. **Compliance with Laws.** Seller and Buyer agree that, in the performance of their respective obligations with this Order, Seller and Buyer shall comply with all applicable laws, orders, statutes, rules, regulations, and ordinances and shall hold the other party harmless from any loss or damage arising from the failure to do so.
 12. **Independent contractor relationship.** Buyer and Seller are independent contracting parties and this Order does not create any agency, partnership, or joint venture relationship between Buyer and Seller or between Buyer and Seller personnel for any purpose whatsoever, nor does this Order grant any power or authority to either party to accept on behalf of the other party any order or agreement, or to create any obligation on behalf of or in the name of the other party.
 13. **Intellectual property/infringement.** Seller makes no warranty or representation that any products purchased by Buyer hereunder will be free from infringement of any patent, or otherwise violate the intellectual property rights of any third party in Canada or any foreign country, unless otherwise agreed in writing by Seller. Seller shall not be under any obligation to defend Buyer or anyone claiming under or through Buyer against any claim or suit arising out of Buyer's purchase hereunder, nor shall Seller be liable for any damage assessed as a result of such claim or suit. Seller's monetary liability under these terms for the sale of infringing products is, in any event, specifically limited in accordance with Article 5 herein. Buyer warrants that the specifications and designs which it furnished to Seller are free from infringement of any patent, and Buyer will indemnify, defend and hold Seller harmless against any such claim which arises out of Seller's reliance on Buyer's specifications and/or design.

14. **Language.** These terms and conditions and all Orders are prepared and shall be executed in the English language. All reports, correspondence, drawings, notices, marking, and other communications (“Reports”) shall be in the English language. Any translation of these terms and conditions or Reports into another language shall be strictly for convenience, and the English language shall govern any question with respect to interpretation.
15. **DELIVERY.** (a) Unless otherwise specified, all goods shall be packed in accordance with good commercial practice. (b) Unless otherwise specified, delivery shall be FOB Origin, in accordance with Incoterms 2000. (c) Seller will make a good faith effort to complete delivery of the products as indicated by Seller in writing, but Seller assumes no responsibility or liability and will accept no backcharge for loss or damage due to delay or inability to deliver, whether or not such loss or damage was made known to Seller, including, but not limited to, liability for Seller’s non-performance caused by Force Majeure, as herein defined. Under no circumstances shall Seller be liable for any special, consequential, incidental, indirect, or liquidated damages, losses, or expense (whether or not based on negligence) arising directly or indirectly from delays or failure to give notice of delay. Any delay in completion or shipment of an order due to any change requested by Buyer or as a result of any delay on Buyer’s part in furnishing information required for completion or shipment of the order may result in a price change of the product and/or change in delivery schedule.
16. **Severability.** These terms and conditions of sale shall not be construed against the party preparing them, but shall be construed as if all parties jointly prepared these terms and conditions of sale, and any uncertainty or ambiguity shall not be interpreted against any one party. Should any provision of this document or application thereof be deemed invalid, illegal, unenforceable, then that provision shall be deemed severed from the terms and conditions and the remainder of this document will remain valid, enforceable and in full force and effect. The Buyer and Seller shall negotiate in good faith in order to agree the terms of a mutually acceptable and satisfactory provision of like economic intent and effect.
17. **Warranty.** Seller warrants that all goods furnished or services performed pursuant to this Order shall conform to applicable specifications and drawings mutually agreed upon in writing and shall be free from defects in material and workmanship under normal use and service for twelve (12) months from delivery to Buyer. Seller’s sole obligation, and Buyer’s exclusive remedy, under this warranty is for Seller, at Seller’s option, to repair or replace or refund the purchase price of the goods or reperform the services for any part of the goods and/or services which fail to meet the foregoing warranty. Upon written agreement by Seller and at Seller’s option, Buyer shall return nonconforming goods within the 12 month warranty period to Seller’s facility together with a written explanation of any claimed failure. If defective articles are replaced by Seller pursuant to this provision hereunder, the warranty terms as defined herein will be renewed for such replacement articles. The provisions of this warranty shall not apply to products (i) used for purposes for which they are not designated or intended; (ii) which have been repaired or altered without Seller’s prior written consent; (iii) which have been subjected to misuse, negligence, accident or improper maintenance or installation; or (iv) which, based on Seller’s examination, do not disclose to Seller’s satisfaction nonconformance to the warranty. No other warranties, express or implied, are made with respect to the products including, but not limited to, any implied warranty of merchantability or fitness for a particular purpose
18. **Taxes and duties.** Unless otherwise specified, prices for goods manufactured or services provided under this Order do not include any applicable federal, provincial, local, and foreign taxes or duties.

19. **Changes.** Each party shall be entitled to submit written requests to the other party for change(s) to the product. Upon evaluation of Buyer's requests, Seller may, at Seller's option, implement such change(s). Should such change(s) result in an increase or decrease in the cost of, and/or the time required for, performance of this Order, the parties shall negotiate an equitable adjustment and the Order shall be amended in writing accordingly. Seller shall assert any claim for adjustment under this Article, in writing, within 25 business days from the date of receipt by Seller of notification of the change. Nothing herein shall excuse the Seller from proceeding with this Order as changed pending resolution of the claim.
20. **Termination for default.** Each party may, by written notice of default to the other party, terminate this contract or any part thereof if the defaulting party: (i) materially breaches any portion of the Order or these terms and conditions and does not correct such breach within thirty (30) days after receipt of written notice from the notifying party specifying such breach; and/or (b) appears to be insolvent or in an unsound financial condition so as to endanger the performance of their obligations under the Order or these terms and conditions.
21. **Set-off.** Buyer shall not be entitled to set-off any amounts due Buyer against any amount due Seller in connection with this transaction.
22. **Waiver.** The failure or delay of the Seller to insist, in any one or more instances, upon the strict performance of any provision of these terms or conditions herein or to exercise any right or remedy available hereunder, shall not be construed as a waiver or relinquishment of the future performance of that provision, right, or remedy or the future exercise of such provision, right, or remedy but the obligation of Buyer with respect to such future performance shall continue in full force and effect. No waiver of any term or condition hereunder shall be valid unless in writing and signed by Seller's authorized representative.
23. **Notices.** Any notice required by this document or given in connection with it, shall be in writing and shall be given to the authorized representative of either party by personal delivery or by certified mail, postage prepaid, or recognized overnight delivery services.
24. **Entire agreement.** This document constitutes the complete, entire, and exclusive agreement between Buyer and Seller with respect to the subject matter hereof, and supersedes any and all prior representations, agreements, understandings, and communications (oral or written) between Buyer and Seller related to the subject matter hereof. Any representations, promises, or warranties made by either party that differ in any way from the terms of these terms and conditions shall be given no force or effect. No amendment or modification of this document shall be binding upon Seller unless it is set forth in a written instrument signed by authorized representative of Seller. All transactions shall be governed solely by the terms and conditions contained herein.