

ARDILLA TECHNOLOGIES LTD TERMS AND CONDITIONS OF SALE

1. PRICES, TAXES ,ETC. Unless otherwise agreed in writing, prices are ARDILLA TECHNOLOGIES LTD.,(Seller) standard prices in effect at the time of shipment. Prices are subject to change without notice. Any material change in the price or other terms of this contract caused by government regulations shall entitle seller to cancel any unshipped portion of the goods. If any tax, public charge, duty or tariff, or increase therein, is or shall be assessed or imposed on this portion on the goods, on any sale, delivery or other action taken hereunder, or on the export part of said goods or the raw materials therein, or any change shall be made in the customs or railway classification of said goods or raw materials or existing freight rate, each such charge shall also be paid by Buyer.

2. PAYMENT TERMS, COSTS OF COLLECTION, ETC. Buyer's entitlement to Seller's standard terms of net 30 days from invoice date are subject to the approval of Seller's Credit Department prior to shipment. Buyer by its order represents that it is not insolvent. Buyer also agrees to pay late charges on any delinquent amounts owing to the Seller at the rate stated on the invoice. If no such rate is stated, at the lesser of 18% per annum or the highest rate accepted by applicable laws. If buyer fails to make a payment when due, or if the financial responsibility of Buyer becomes impaired or reasonably unsatisfactory to Seller, Seller may defer or discontinue further shipments without prejudice to any other lawful remedy until past due payments or assurances satisfactory from Buyer. In the event of such termination. Buyer shall compensate Seller for any commitments, obligations, expenditures, expenses and costs Seller has incurred in connection with the order. Each delivery by Seller shall be considered a separate transaction and be paid for separately in accordance with the invoice therefore. Except where specifically prohibited by applicable law, Buyer agrees to pay Seller's costs of collecting all amount dues, including court costs and reasonable attorney's fees, whether or not court action is commenced. In the event of a breach by Buyer, Seller shall have the right to pursue all remedies provided by the Uniform Commercial Code and by law generally.

3. DELIVERY; RISK OR LOSS. Delivery terms shall be specified on the face of the invoice. On sales made FOB delivered basis ,no allowance for damage shall be made by Seller unless Buyer furnishes acknowledgement from the carrier that same occurred in transit. On sales made FOB Seller's plant or warehouse, Buyer will, in the event of loss or damage in transit, file its own claim with the carrier. Seller shall have the right to make delivery in installments. Estimates of shipment are approximate and failure to effect a shipment as estimated will not be considered sufficient reason for cancellation. Risk of loss to the goods purchased shall pass to Buyer at the earlier of the time they (1) are duly delivered to a Buyer or (2) are duly tendered to Buyer for delivery.

4. WARRANTIES AND REMEDIES. Seller warrants as set out in Section 11 and that the title of goods purchased shall be free of any encumbrances and also warrants that such goods shall conform to the description on the face of this invoice therefore. Deliveries are subject to standard insurances for the industry. Seller also warrants that the goods shall be free of any rightful claim infringement or the like unless the goods are manufactured or produced in compliance with specifications furnished by Buyer, but Seller does not warrant against infringement or the like by the use thereof in combination with other materials or in the operation of any process. Seller's liability and Buyer's exclusive remedy for defective materials shall be limited solely to replacement or repair of such goods or refund or allowance as Buyer may elect. Seller shall be given notice of any claimed defect in such goods with 10 days of the receipt thereof by Buyer. If Buyer rightfully rejects the goods, or justifiably revokes the acceptance of the goods, Buyer's sole remedy shall be the return of any part of the purchase, therefore paid upon return of the goods to Seller. Any warranties contained herein are valid only to the original Buyer purchasing the goods from Seller and not to any other person or party. Unless caused by Seller's fault, Seller's product warranties do not apply unless the goods are in the original unprocessed and unaltered state and condition as supplied by Seller.

5. EXCLUSION OF OTHER WARRANTIES AND REMEDIES. Except were such disclaimers and exclusions are specifically prohibited by applicable law, THE FOREGOING SECTION 4 SETS FORTH THE ONLY GUARANTEES OR WARRANTIES APPLICABLE TO BUYER'S ORDER AND SUCH WARRANTIES ARE GIVEN EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESS IMPLIED, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE and ALL WARRANTIES WHICH EXCEED OR DIFFER FROM THE WARRANTIES SET FORTH IN SECTION 4 ARE DISCLAIMED BY SELLER. Buyer agrees that oral statements about goods ordered made by Seller's representative or statement contained in Seller's general advertising, pamphlets, brochures, or other media, do not constitute warranties and that its order is not placed in dependence upon them. Buyer agrees that except where such limitations and exclusions are specifically prohibited by applicable law, BUYER'S SOLE AND EXCLUSIVE REMEDY AGAINST SELLER SHALL BE THE APPLICABLE REMEDY SET FORTH IN SECTION 4, and that no other remedy (including but not limited to the recovery of direct, incidental special, indirect or consequential damages for lost profits, lost sales, injury to person or property, washed material, or any other loss) shall be available to it, whether by direct action, claim for contribution or indemnity, or otherwise, or whether based on contract, tort or other legal theory. This exclusive remedy shall not be deemed to have failed of its essential purpose as long as Seller is willing and able to carry out the terms of the warranties and remedy set forth in Section 4.

6. SECURITY INTEREST. Buyer hereby grants Seller a purchase money security interest in the goods until the entire purchase price is paid in full and upon request Buyer shall perform all standard acts which may be necessary to perfect and assure retention of such security interest in Seller. If Buyer fails to make any payment of or on account of the purchase price when due, Seller may, at its option take exclusive possession of the goods wherever found and remove them without legal process.and Seller shall have all rights and remedies of a secured party under the Uniform Commercial Code.

7. INDEMNIFICATION BY BUYER. Buyer shall indemnify Seller and hold it harmless against any and all claims (including without limitation any infringement of a patent, copyright, trademark or similar right or for any misrepresentation as to approval by any authority or similar organizations) and liability for damages to any property or person incurred or arising in connection with the sale, delivery, or use of the goods except such thereof as shall bear the burden of proving that any such damages are caused by or resulted from Seller's fault or negligence.

8. DELAY, ETC. Seller shall not be liable for any loss or damage arising directly or indirectly through or as a consequence or any delay in the fulfillment of or failure to fulfill an order for any cause beyond Seller's reasonable control including, without limitation to causes of similar type, any act of Nature, government regulation or order, inability to obtain from or curtailment of Seller's then existing sources of supply of energy, raw materials or components, water shortage, explosion, fire, flood, civil commotion, war (whether or not declared), inability to obtain labour, lockout, strike or other labor trouble. In any such event, Seller may terminate Buyer's order in whole or in part or delay performance thereunder and shall give Buyer notice of such election. Seller may allocate its production and deliveries amount its regular customers, whether under contract or not, and its own requirements for further manufacture in such manner as Seller may deem equitable. Buyer may not terminate its order for any material delay in delivery without giving at least 30 days prior notice.

9. CANCELLATIONS AND RETURN. Any request by Buyer for cancellation or return of an order or any part thereof must be made within 30 days of receipt of an item by Buyer, and to be binding upon Seller must be acceted by Seller in writing, and at Seller's option, will be subject to fair charges for expenses incurred and work executed by, Seller or Seller's suppliers up to the time of acceptance by Seller or such request and subject to Seller's standard restocking charges.

10. RIGHT TO VARY SHIPMENTS. Unless otherwise specified by Buyer in writing, Seler reserves the right to undership or overhsip 10% of the amount of any order.

11. COMPLIANCE WITH LAWS. Seller warrants that all work perfonnel and/or goods delivered hereunder shall comply with all applicable national, federal, state and local laws, orders, rules and regulations.

12. GENERAL. Buyer shall make any claims for shortage or error in filling an order within 10 days after receipt of shipment. Any indulgences granted to Buyer shall not constitute a waiver of any of Seller's rights hereunder. Should any part, terms or provision herein by declared illegal or in conflict with any law, rule or regulation, the validity of the remaining portion, terms or provisions shall not be affected thereby. The terms and conditions contained herein shall constitute the entire agreement of the parties relating to the sale of the goods hereunder. And, receipt by Seller of Buyer's purchase order or other confirmation shall not, insofar as inconsistent herewith or contained additional terms hereto, alter, vary or add to the terms and conditions are hereby deemed rejected unless expressly approved by Seller in writing. The agreement between Buyer and Seller shall be binding upon and inure to the benefit of Buyer and its heirs, successors or assigns, as the cash may be, the Seller and its successors and assigns but Buyer may not assign its rights without Seller's prior written consent. This transaction shall be governed by and construed under the laws of Finland. The captions at the beginning of sections are used for convenience only and are not to be considered in attempting to construe any part of the agreement between Buyer and Seller.