



STANDARD TERMS & CONDITIONS OF SALE

DEFINITIONS

Acknowledgement:

The acceptance of an Order issued by the Company to the Customer in relation to the Goods;

Agreement:

The contractual relationship between Customer and Company in relation to the supply of the Goods;

Customer:

The purchaser of Goods from the Company;

Company:

Sterling Aircraft Products Inc.;

Goods:

Goods and services Ordered by the Customer to the Company in the Order;

Insolvent:

In relation to either party (save in relation to a corporate reorganization, reconstruction or amalgamation) the appointment of or the application to a court for the appointment of a liquidator, provisional liquidator, administrator, administrative receiver or receiver, the entering into a scheme of arrangement or composition with or for the benefit of creditors generally, any reorganization, moratorium or other administration involving its creditors or any class of its creditors, a resolution or proposed resolution to wind it up, or becoming unable to pay its debts as and when they fall due or becoming deemed to become unable to pay its debts as and when they fall due within the meaning of Section 123 of the Insolvency Act 1986;

Order:

Purchase Order or equivalent document issued by the Customer to the Company in relation to the Goods;

1. APPLICATION OF TERMS

- a.** The terms and conditions set out in this document are the only conditions upon which the Company is prepared to deal with Customer and they shall govern any Order issued by Customer to the entire exclusion of all other terms and conditions including but not limited to any conflicting terms. It is acknowledged that there shall be no acceptance by Company of an Order on terms other than those set out herein unless expressly agreed in writing by the Company.
- b.** The return by the Customer of its standard terms of purchase shall not incorporate such terms into the Agreement.
- c.** The Order shall be deemed to be an offer to purchase the Goods from the Company and it shall only be accepted by means of the Acknowledgement and subject to the Terms.

2. WARRANTIES

FARSOUND

Customer agrees and acknowledges that the Goods shall be used for the purpose and in the manner specified by the manufacturer.

3. ACCEPTANCE AND CANCELLATION

- a. Customer shall not have the right to cancel an Order once the Acknowledgement has been sent by the Company unless agreed to by the Company. The Company shall use reasonable endeavours when considering a request for cancellation from the Customer provided that the Goods have not been ordered with the relevant manufacturer or distributor at the time of the request for cancellation.
- b. In case of a cancellation being accepted by the Company, all Goods already purchased by the Company shall be invoiced to the Customer unless otherwise notified, at the Company's sole discretion.
- c. Company may at any time cancel an Order with immediate effect and stop the delivery of the Goods if:
 - Customer becomes insolvent;
 - Customer commits any material or persistent breaches of the Agreement;
 - any distress, execution or other process is levied upon any of the assets of the Customer.

4. DELIVERY AND TITLE

- a. Delivery times quoted by the Company are estimated from the date of receipt by the Company of the Order from the Customer together with any information and drawings necessary to enable the Company to prepare the Goods.
- b. Company shall use all reasonable endeavors to comply with the delivery times specified and it shall endeavor to notify Customer of any changes to delivery times.
- c. Notwithstanding the foregoing, the Company does not accept any liability for any delays in the delivery of the Goods, whether such delays are caused by an act of the Company or its agents or by any other cause.
- d. It is acknowledged that delivery times are not an essential term of the Agreement and that Customer shall not have the right to cancel an Order due to a delay in the delivery of the Goods.
- e. The title to the Goods shall pass to Customer upon payment in full of the invoice corresponding to the Goods. Risk in the Goods shall transfer to Customer upon dispatch. Nothing in this clause shall prevent the Company from taking whatever appropriate action against the Customer to obtain payment for the Goods.
- f. Customer shall be liable for all packing and carriage costs to the destination specified by the Customer unless otherwise agreed in writing.

5. PRICES

The Company may at any time, and at its sole discretion, amend the price for all or any part of the Goods that are to be supplied under the agreement to the prevailing market price for such Goods at

FARSOUND

the time of delivery to the Customer. Prices previously quoted or stated in the Order may be amended at any time at the sole discretion of the Company.

6. PAYMENT

- a. Payment is due within the terms of the acknowledged Order back to the Customer from the Company. Terms may be amended at anytime at the discretion of the Company.
- b. The Company reserves the right to withhold further deliveries and to take whatever appropriate action to obtain payment or recover the Goods.

7. CLAIMS AND DEFECTS

- a. The company shall consider, at its sole discretion, any complaint about manufacture, workmanship or material which the Customer may feel justified in making within three months of the invoice date. Notwithstanding the foregoing, the Company does not accept any liability that may be claimed on the basis of such defect.
- b. The company shall not be liable to the Customer in contract, (including but not limited to negligence) or otherwise in connection with the Agreement for:
 - any losses which are not reasonably foreseeable or for any special, indirect or consequential loss or loss of profits or contracts, or loss of goodwill;
 - any claims in relation to the Goods unless notice thereof is given to the Company, and to the carrier where appropriate, within ten days of the date of dispatch or invoice date, whichever is earlier;
- c. Subject to clause 7d, the Company's aggregate liability to the Customer under the Agreement for any losses which are not excluded pursuant to clause 7b shall be limited to the total value of the Order.
- d. Nothing in these Terms shall exclude or limit Company's liability for death or personal injury resulting from negligence or any other liability which cannot be excluded by law.

8. FORCE MAJEURE

Company may revoke (in whole or in part) the acceptance of an Order or postpone delivery without liability in the event of any contingency beyond its control which does or, in its opinion, is likely to prevent, hinder, delay, interrupt or interfere with the fulfilment of the Order, or any part of it.

9. THIRD PARTY RIGHTS

A person not party to the Agreement shall have no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce its terms.

10. SEVERABILITY

FARSOUND

If any provision of this Terms or any part of any provision shall be determined to be partially void or unenforceable by any court or body of competent jurisdiction or by virtue of any legislation to which it is subject or by virtue of any other reason whatsoever, it shall be void or unenforceable to that extent only and no further and the validity and enforceability of any of the other provisions or the remainder of any such provision shall not be affected by such determination.

11. ASSIGNMENT

Customer shall not assign its obligations under the Agreement to any third party without the company's prior written consent.

12. GOVERNING LAW AND JURISDICTION

The Agreement and these Terms shall be construed in accordance with the laws of Ontario, Canada and the parties hereby submit to the exclusive jurisdiction of the Ontario courts.