



September 1<sup>st</sup>, 2010

## TERMS AND CONDITIONS OF SALE

The acceptance of our tender includes the acceptance of the following terms and conditions. A contract will be deemed as being concluded only upon our receipt of written confirmation of the order. No departure from the terms of sale is to be made except upon written confirmation duly signed on behalf of both contracting parties.

### **1. VALIDITY:**

Unless stated to the contrary, this tender is open for acceptance for a period of thirty days or such period as may be mutually agreed from the date of tender but we reserve the right to withdraw this tender at any time prior to acceptance.

#### **1a. PERFORMANCE:**

Any performance figures given by us are based upon our experience and are such as we expect to obtain on tests in our works. We shall be under no obligation whatsoever, for damages or otherwise for failure to attain such figures unless we have specifically guaranteed and warranted such performance figures subject to the recognized tolerance applicable.

#### **1b. CREDIT TERMS:**

1. Strictly 30 days from date of invoice.
2. Interest charged @ 2 % per month or 26.48 % per annum or .0725479 % daily will be charged on any amount outstanding over 30 days.

### **2. PAYMENTS:**

Payments shall become due as shipments are made. If shipments are delayed by Buyer, payments shall become due on the date when Transorb is prepared to make shipment. If the work to be performed hereunder is delayed by the Buyer, payments shall be made based on the purchase price and the percentage of completion. Equipment held for the Buyer shall be at the risk and expense of the Buyer. If the financial condition of the Buyer at any time does not, in the judgment of Transorb, justify continuance of the work to be performed by Transorb hereunder on the terms of payment agreed upon, Transorb may require full or partial payment in advance or shall be entitled to cancel any order then outstanding and shall receive reimbursement for its reasonable and proper cancellation charges. In the event of bankruptcy or insolvency of Buyer or in the event any proceeding is brought against Buyer, voluntarily or involuntarily, under the bankruptcy or any insolvency laws, Transorb shall be entitled to cancel any order then outstanding at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its reasonable and proper cancellation charges. The rights of Transorb under this paragraph are cumulative and in addition to all rights available to Transorb at law or in equity.

**3. PROPERTY OF THE GOODS DELIVERED:**

1. Notwithstanding delivery of the goods to the Buyer, ownership therein shall remain vested in Transorb until such time as the full purchase price has been paid and in the event of payment not being made, then Transorb shall have the right, without prejudice to our other rights, on reasonable notice to the Buyer to claim cancellation of the contract, forfeiture of all moneys paid and return of the goods delivered in default of the payment concerned.
2. The risk in such goods shall, however, pass to the Buyer immediately upon delivery.
3. Until fully paid for, Buyer shall keep the goods at the address stated by him on the invoice and shall not remove them or permit them to be removed there from nor delivery possession thereof to any third party, without Transorbs prior consent in writing and then only to such address as is specified in such consent.
4. No leniency, extension of time or indulgence which we might show to the Buyer shall in any way be construed as a waiver or abandonment of our rights or in any manner adverse to our interests and no such lenience, extension of time or indulgence shall detract from our rights to insist upon strict compliance with the terms hereof by the Buyer.
5. In cases where Transorb places orders on subcontractors for the supply of any part of the goods referred to in this quotation, we shall be entitled to cancel, vary, suspend any such order without reference to the Buyer, irrespective of whether or not the name of the subcontractors are to be used, are disclosed or referred to in this contract and whether or not the customer was aware that a subcontractor would supply any goods. We shall also be entitled to engage the services of any subcontractor to supply the whole or any portion of the goods referred to herein.
6. Transorb shall have the right to call upon the Buyer to insure any goods delivered in terms hereof to the full value thereof and cede such policy of insurance to us until such time as payment of the full amount owned has been effected. Such insurance shall be in respect of theft and any damage whatsoever.
7. In the event that the rates of currency exchange ruling at the date of acceptance hereof should be increased to Transorbs' detriment between the date upon which this contract came into existence and the date of payment affecting the costs of imported equipment and imported components included in locally manufactured items, then any such increase will be borne and paid by the Buyer.
8. Should the prices charged by our suppliers change, by reason of increased labor costs, increased raw material cost, or any other reason, we reserve the right to re-negotiate our prices.
9. Where components or equipment are supplied from foreign countries, prices are based on import duties we pay on date of quotation. If import duties we pay increase between date of quoting and date of delivery for any reason whatsoever, this increase will be rated and charged accordingly, and be payable by Buyer.

**4. GENERAL:**

Any assignment of this contract or any rights hereunder, by Buyer without written consent of Transorb shall be void. The provisions of this contract are for the parties thereto and not for any other person. No understanding, promise or representation, and no waiver, alteration or modification of any of the provisions hereof, shall be binding upon Transorb unless assented to in writing by an authorized representative of Transorb. Handbooks and catalogs supply general information and are not considered offers to sell on the part of Transorb. Orders are accepted subject to Transorbs' terms, conditions, and price provisions in effect at the time the order is accepted. Any "hold" orders are held or continued on the basis that the order will become subject to the same conditions as new orders entered on the date of release of the "hold". Equipment held by Transorb for Buyer is held at Buyer's expense and risk and shall be subject to charges for storage.

**5. WARRANTY:**

Transorb carries the original manufacturer's warranty directly to the Buyer of the products detailed in the sales invoice.

Transorb will warranty remanufactured electrical equipment and state a unique warranty term applicable to each invoice, typically (12) twelve months. "Warranty claimed products are to be returned at the buyers cost & sole expense & responsibility until safely & securely received at Transorb's warehouse". Inspection of warranty claimed goods remains the right of Transorb Electrical Products and a subsequent credit may or may not be issued. Remanufactured & reconditioned electrical equipment is either replaced with a similar product or a credit is issued. Without statement implied warranty is thirty (30) days from date of invoice.

**5a.**

Transorb Electrical Products Ltd. "reconditioned" products produced "In-House" will be on a pro-rata basis. First 30 days from invoice date is 100% credit-able by product replacement or refund (Transorb Choice), 31 days to 12 months warranty period there after will be on a declining "pro-rata" decreasing to 10% of paid value on the twelfth month.

**6. CANCELLATION:**

Cancellations may be made only upon written notice by Buyer. Cancellations shall be subject to the following condition:

A 15 % net charge will be applied and any additional charges levied by the manufacturer for cancellation.

**7. CREDIT CLAIMS:**

All goods returned for inspection and visibly claimed as warranty are subject to Transorb inspection, review & report procedures prior to any credit being issued. Goods must be returned solely at the buyers cost after a return authorization has been issued. No credit will be issued on shipment accepted without full agreement to this condition.

This contract is deemed to be made in Grand Forks, British Columbia. The monies hereunder are payable in Grand Forks, British Columbia and any breach of this contract shall be litigated in any competent court in Vancouver, British Columbia.

**Transorb Electrical Products Ltd.**

Ship to and from:  
375 Industrial Drive  
Grand Forks, BC V0H 1H0

Mailing:  
Box 1799  
Grand Forks, BC V0H 1H0

Phone: (250) 442-5225  
Toll Free: (866) 442-5225  
Fax: (250) 442-5228  
Cell: (250) 442-7576