

THIS AGREEMENT

1. THESE TERMS AND CONDITIONS (“AGREEMENT”) APPLY TO YOUR (“BUYER”) PURCHASE OF PRODUCTS OR RELATED SERVICES (“PRODUCT”) SOLD BY J.S. FERRARO (“JSF”), INCLUDING ITS AFFILIATES OR SUBSIDIARIES, AS DESCRIBED IN THE SALES CONFIRMATION THAT WILL BE PROVIDED TO BUYER ON ORDERS FOR PRODUCT. BY PROCEEDING WITH THE PURCHASE OF PRODUCT DESCRIBED IN THE SALES CONFIRMATION, BUYER IRREVOCABLY AGREES TO BE BOUND TO THE TERMS AND CONDITIONS OF THIS AGREEMENT.
2. THE PURCHASE OF PRODUCT HAS BEEN CONCLUDED IN THE ENGLISH LANGUAGE AND THIS AGREEMENT AND THE APPLICABLE SALES CONFIRMATION TOGETHER CONSTITUTE THE ENTIRE AND SOLE AGREEMENT BETWEEN JSF AND BUYER. NO AGREEMENT OR OTHER UNDERSTANDING IN ANY WAY MODIFYING THIS AGREEMENT SHALL BE BINDING UPON JSF UNLESS MADE IN WRITING, AND ACCEPTED OVER THE SIGNATURE OF AN AUTHORIZED EXECUTIVE OF JSF.

TITLE TO PRODUCT

3. TITLE TO PRODUCT SOLD BY JSF TO THE BUYER SHALL NOT PASS TO THE BUYER UNTIL JSF HAS RECEIVED PAYMENT FOR THE PRODUCT IN FULL AS SPECIFIED IN THE APPLICABLE SALES CONFIRMATION.

DELIVERY

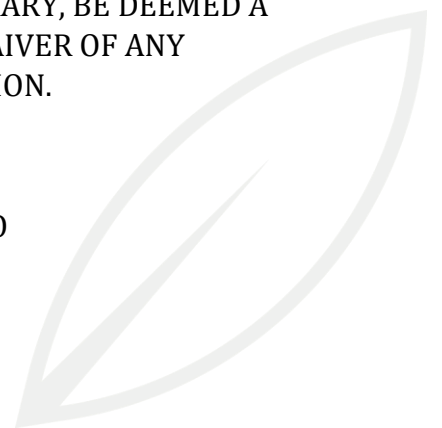
4. JSF WILL USE ITS COMMERCIALY REASONABLE EFFORTS TO COMPLY WITH THE SHIPPING PERIOD BUT SUCH PERIODS ARE ESTIMATES ONLY AND NO GUARANTEE IS GIVEN AND TIME SHALL NOT BE OF THE ESSENCE IN RESPECT THEREOF. JSF SHALL ACCEPT NO LIABILITY OF ANY NATURE WHATSOEVER FOR FAILURE TO MEET DELIVERY DATES AND SUCH FAILURE SHALL NOT ENTITLE THE BUYER TO REPUDIATE OR CANCEL THE AGREEMENT.

PAYMENT OF PURCHASE PRICE

5. A CHANGE IN THE MARKET PRICE OF A PRODUCT SHALL NOT RELEASE THE BUYER FROM ITS OBLIGATION TO PAY THE ENTIRE AMOUNT OWING FOR THE PRODUCT AS DESCRIBED IN THE SALES CONFIRMATION.
6. ACCEPTANCE BY JSF OF PAYMENT IN ARREARS OR PARTIAL PAYMENT OF THE PURCHASE PRICE SHALL NOT UNDER ANY CIRCUMSTANCES AND NOTWITHSTANDING ANY REPRESENTATION OR ASSURANCES MADE BY JSF TO THE CONTRARY, BE DEEMED A WAIVER OF JSF'S RIGHT TO DEMAND PAYMENT IN FULL OR A WAIVER OF ANY RIGHT OR REMEDY THAT JSF MAY HAVE ON ANY FUTURE OCCASION.

NOTICE OF DEFECT

7. WRITTEN NOTICE OF ANY DEFECT OF THE PRODUCT, AND SATISFACTORY PROOF, MUST BE GIVEN BY THE BUYER TO JSF NO LATER THAN FIVE BUSINESS DAYS AFTER THE DATE THE



PRODUCT IS RELEASED OR DISCHARGED FROM THE PORT OF DELIVERY. IF THE BUYER DOES NOT PROVIDE NOTICE OF A DEFECT WITHIN THE FIVE DAY PERIOD, THE PRODUCT SHALL BE DEEMED TO BE (I) FREE FROM DEFECT, (II) OF GOOD AND MERCHANTABLE QUALITY AND (III) FIT FOR THE PURPOSE FOR WHICH THE PRODUCT WOULD NORMALLY BE USED.

CARGO INSURANCE

8. IT IS UNDERSTOOD AND AGREED THAT IF CARGO INSURANCE IS PROVIDED BY JSF, IT WILL TERMINATE ON THE EXPIRY OF 15 DAYS FROM THE DATE OF ARRIVAL OF THE GOODS AT THE CONTRACTED DESTINATION. IF AN EXTENSION TO THIS INSURANCE IS REQUIRED, JSF MUST BE NOTIFIED IN WRITING PRIOR TO THE 15TH DAY.

RIGHTS OF JSF TO TERMINATE

9. JSF MAY IMMEDIATELY TERMINATE THE SALE OF PRODUCT TO THE BUYER BY GIVING NOTICE OF TERMINATION TO THE BUYER (WHICH NOTICE SHALL BE IMMEDIATELY EFFECTIVE):
IF THE BUYER FAILS TO PAY, WHEN DUE, ANY AMOUNT PAYABLE TO JSF;
IF THE BUYER FAILS TO OBSERVE OR COMPLY WITH ANYTHING REQUIRED TO BE DONE BY THE BUYER UNDER THE AGREEMENT; OR
IF THE BUYER BECOMES BANKRUPT, INSOLVENT OR MAKES AN ASSIGNMENT FOR THE BENEFIT OF CREDITORS OR THE BUYER IS UNABLE TO MEET ITS OBLIGATIONS AS THEY BECOME DUE.

INTEREST ON OVERDUE AMOUNTS

10. INTEREST CHARGES ON OVERDUE AMOUNTS SHALL BE LEVIED AND INVOICED AT JSF'S OPTION AT A RATE OF 2% PER MONTH FOR AN EFFECTIVE ANNUALIZED INTEREST RATE OF 27.125%.

FINAL AND BINDING ARBITRATION

11. ANY AND ALL DISPUTES, CONTROVERSIES OR CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR INVALIDITY THEREOF, SHALL BE SETTLED BY ARBITRATION IN ACCORDANCE WITH THE UNCITRAL ARBITRATION RULES AS AT PRESENT IN FORCE. THE FOLLOWING SHALL APPLY TO THE ARBITRATION AND PREVAIL IN THE EVENT OF A CONFLICT WITH THE UNCITRAL RULES:
 - a. THE PLACE OF THE ARBITRATION SHALL BE TORONTO, ONTARIO AND THE LANGUAGE OF THE ARBITRATION SHALL BE ENGLISH.
 - b. THE SEAT OF ARBITRATION SHALL BE TORONTO, ONTARIO, CANADA.
 - c. THERE SHALL BE ONE ARBITRATOR. IF THE PARTIES CANNOT AGREE ON THE ARBITRATOR WITHIN 10 DAYS OF COMMENCEMENT OF ARBITRATION, EITHER PARTY MAY MAKE A REQUEST TO ADR CHAMBERS INTERNATIONAL (THE APPOINTING AUTHORITY UNDER THIS AGREEMENT) FOR THE APPOINTMENT OF A SINGLE ARBITRATOR IN ACCORDANCE WITH THE APPOINTMENT PROVISIONS OF THE UNCITRAL ARBITRATION RULES.

- d. UNLESS THE PARTIES CONSENT OR THE ARBITRATOR ORDERS OTHERWISE, THE FOLLOWING PROCEDURES AND TIMELINES SHALL BE ADHERED TO:
- I. THE CLAIMANT SHALL DELIVER A STATEMENT OF CLAIM WITHIN 10 DAYS OF THE ARBITRATOR BEING APPOINTED.
 - II. THE RESPONDENT SHALL DELIVER A STATEMENT OF DEFENCE WITHIN 15 DAYS OF RECEIVING THE CLAIMANT'S STATEMENT OF CLAIM.
 - III. THE PARTIES SHALL BE REQUIRED TO PRODUCE ALL DOCUMENTS THAT THEY INTEND TO RELY ON AT THE HEARING OF THE ARBITRATION WITHIN 10 DAYS OF THE DELIVERY OF THE RESPONDENT'S STATEMENT OF DEFENCE.
 - IV. THE PARTIES SHALL BE LIMITED TO NO MORE THAN 7 HOURS OF PRE-TRIAL DISCOVERY EXAMINATION.
 - V. THE ARBITRATION HEARING SHALL NOT BE ANY LONGER THAN THREE DAYS.
 - VI. THERE SHALL BE NO APPEAL FROM THE DECISION OF THE ARBITRATOR.
12. NOTWITHSTANDING CLAUSE 12, FOR THE EXCLUSIVE BENEFIT OF JSF, BUYER HEREBY AGREES THAT JSF SHALL HAVE THE EXCLUSIVE RIGHT, AT JSF'S OPTION, TO APPLY TO THE COURTS OF ONTARIO, WHO SHALL HAVE NON-EXCLUSIVE JURISDICTION TO SETTLE ANY AND ALL DISPUTES, CONTROVERSIES OR CLAIMS ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE BREACH, TERMINATION OR INVALIDITY THEREOF AND THAT ACCORDINGLY ANY SUIT, ACTION OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH ANY OF THE ABOVE MAY BE BROUGHT IN SUCH COURTS AT THE SOLE AND EXCLUSIVE OPTION OF JSF.

BUYER LIABLE FOR COSTS

13. ANY AND ALL LEGAL, ARBITRATION, AGENCY, COURT OR ATTORNEY FEES WHATSOEVER INCURRED BY JSF OR ITS SUBSIDIARIES TO COLLECT ON ANY DEBT, FINANCIAL DISPUTE, RESOLUTION, ALLEGED INJURY, OR TRADE DISPUTES RELATED TO THIS AGREEMENT WILL BE PAYABLE BY THE BUYER.
14. BUYER AND ANY AFFILIATE OF BUYER WHO ENTERS INTO AN AGREEMENT WITH JSF SHALL BE JOINTLY AND SEVERALLY LIABLE FOR ANY FEES REFERRED TO IN CLAUSE 14.

NOTICE AND SERVICE OF PROCESS

15. ANY NOTICE, INSTRUCTION OR DOCUMENT TO BE GIVEN BY EITHER THE BUYER OR JSF IN CONNECTION WITH THE AGREEMENT SHALL BE GIVEN IN WRITING AND MAY BE DELIVERED PERSONALLY, BY FAX OR BY E-MAIL TO THE PLACE OF BUSINESS SET OUT IN THE SALES CONFIRMATION. ANY NOTICE SHALL BE DEEMED (IN THE ABSENCE OF EVIDENCE OF PRIOR RECEIPT) TO BE RECEIVED THE SAME DAY IF PERSONALLY SERVED AND THE NEXT BUSINESS DAY IF SENT BY FAX OR BY E-MAIL. ELECTRONIC

TRANSACTIONS SHALL BE DEEMED TO COMPLY WITH THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT (U.S.A.) AND THE UNIFORM ELECTRONIC COMMERCE ACT (CANADA).

16. THE BUYER AGREES TO AND SHALL ACCEPT SERVICE OF ANY LEGAL PROCESS (INCLUDING NOTICE OF ARBITRATION IN ACCORDANCE WITH SECTION 11) TO THE BUYER'S ADDRESS SET OUT ON THE SALES CONFIRMATION.

LIMIT OF JSF'S LIABILITY

17. IN NO EVENT SHALL JSF BE RESPONSIBLE FOR ANY DIRECT, INDIRECT, OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF ANTICIPATED PROFITS, LOSS OF TIME, OR ANY OTHER LOSSES INCURRED BY THE BUYER IN RESPECT OF, RELATED TO, OR ARISING OUT OF THE PURCHASE OF THE PRODUCT.

RIGHT OF SET-OFF

18. JSF IS AUTHORIZED TO THE FULLEST EXTENT PERMITTED BY LAW, TO SET-OFF AND APPLY ANY AMOUNT OWED TO IT FROM THE BUYER UNDER ANY AGREEMENT OR ARRANGEMENT, AGAINST ANY AMOUNT WHICH IT OWES TO THE BUYER.

FORCE MAJEURE

19. JSF SHALL NOT BE IN BREACH OF ANY OF ITS OBLIGATIONS UNDER OR RELATED TO THIS AGREEMENT AND JSF SHALL NOT BE LIABLE FOR ANY NON-PERFORMANCE OR DELAY IN PERFORMANCE UNDER OR RELATED TO THIS AGREEMENT, WHERE THE FAILURE TO PERFORM OR DELAY IN PERFORMING IS DUE, WHOLLY OR IN PART, DIRECTLY OR INDIRECTLY, TO THE OCCURRENCE OR APPREHENSION OF: AN ACT OF GOD, AN ACT OF PUBLIC ENEMY, ACTS OF GOVERNMENTAL BODIES OR AGENCIES (FOREIGN OR DOMESTIC), SABOTAGE, AN ACT OF WAR (WHETHER OR NOT DECLARED), TERRORISM, RIOT, FIRE, FLOODS, TYPHOONS, EXPLOSIONS OR OTHER CATASTROPHES, EPIDEMICS OR QUARANTINE RESTRICTIONS, LABOUR UNREST OR LABOUR SHORTAGES, ACCIDENT, FREIGHT EMBARGOES, DELAYS OCCASIONED BY CARRIERS, AN INABILITY TO PROCURE ANY LICENCE, PERMIT, PERMISSION OR AUTHORITY, AN INABILITY TO OBTAIN MATERIALS, GOODS, EQUIPMENT, SERVICES, UTILITIES OR LABOUR, OR BECAUSE OF ANY OTHER FORTUITOUS EVENT FOR THE PERIOD OF TIME OCCASIONED BY ANY SUCH OCCURRENCE.

ASSIGNMENT

20. ALL RIGHTS AND OBLIGATIONS OF JSF AND THE BUYER SET OUT IN THE AGREEMENT SHALL INURE TO THE BENEFIT OF AND BE BINDING UPON THEIR SUCCESSORS AND PERMITTED ASSIGNS. JSF ONLY MAY TRANSFER ALL OR PART OF THE RIGHTS AND OBLIGATIONS SET OUT IN THIS AGREEMENT TO ITS AFFILIATES, SUBSIDIARIES, ANY OF ITS ASSIGNS OR OTHER LEGAL ENTITIES THAT IT DESIGNATES.

GOVERNING LAW

21. THIS AGREEMENT IS SUBJECT TO AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF ONTARIO, CANADA.