

**Limited Warranty  
For  
K-W Electronic Service Inc. and KWE Technologies Group  
Line of Products**

**The liability of K-W Electronic Service Inc., and its subsidiary, KWE Technologies Group, (hereafter referred to as "KWE") under this warranty is limited.**

The Purchaser, by taking receipt of any KWE product ("Product"), acknowledges the terms of the Limited Warranty as set out below and acknowledges that it has read and understands same.

Under the Limited Warranty, each KWE Product is warranted against defects in workmanship and materials for a period of twenty-four months **(24 months)** following the documented date of installation by a qualified contractor.

Remedies for the defective Part or Product will extend to the Purchaser in the form of repair or replacement of serviceable parts or, if required, the entire unit at the discretion of KWE and excludes any and all on-site labour related costs. KWE is not responsible for any other losses, costs, expenses, inconveniences, or damages, whether direct, indirect, special, secondary, incidental or consequential, arising from ownership or use of the product, or from defects in workmanship or materials, including any liability for fundamental breach of contract.

The Limited Warranty applies only to the defective Part and Product returned to KWE during the warranty period. This Limited Warranty does not cover the cost of the labour to remove or transport the defective Part or Product, or to reinstall the repaired or replacement Part or Product.

Any representations or warranties about the Products made by the Purchaser to its customers which differ from or exceed KWE's Limited Warranty are the Purchaser's sole responsibility and obligation. The Purchaser shall indemnify and hold KWE harmless from and against any and all claims, liabilities and damages of any kind or nature which arise out of or are related to any such representations or warranties by the Purchaser to its customers.

The Limited Warranty shall be declared void if the Product has been damaged by negligence by persons other than KWE, accident, fire, Force Majeure, abuse or misuse; or has been damaged by modifications, alterations or attachments made subsequent to purchase which have not been authorized by KWE; or if the Product was not installed in compliance with KWE's instructions and/or the local codes and ordinances; or if due to defective installation of the Product; or if the Product was not used in compliance with KWE's instructions.

THIS WARRANTY IS GIVEN EXPRESSLY IN PLACE OF AND EXCLUDES ALL OTHER WARRANTIES AND CONDITIONS EXPRESSED OR IMPLIED, WHETHER UNDER COMMON LAW, STATUTE OR OTHERWISE, AND THERE IS EXPRESSLY EXCLUDED EVERY FORM OF LIABILITY FOR LOSS OR DAMAGE, DIRECT OR CONSEQUENTIAL, RESULTING FROM DEFECTIVE MATERIAL, FAULTY WORKMANSHIP OR OTHERWISE.

**Terms and Conditions of Sale  
For  
K-W Electronic Service Inc. and KWE Technologies Group  
Line of Products**

All Customer Purchase Orders are subject to these terms and conditions and all additional terms and conditions presented on or accompanying a KWE Quotation.

**DEFINITIONS AND INTERPRETATION**

Within this document definitions are defined as follows:

" **KWE** " means K-W Electronic Service Inc., and/or its designated affiliates or subsidiaries.

" **Customer** " means the person or entity however constituted to whom the Material or Services are provided.

" **Delivery** " means the date of Customer's receipt of Material or completion of Services at Customer's designated location.

" **Material** " means the Products offered for sale or licensed to Customer at time of sale.

" **Product** " means equipment of KWE design and manufacture, or other manufacturer's equipment offered for sale by KWE to the Customer.

" **Purchase Order** " means Customer's document for the acquisition of Material and/or Services, exclusive of all printed terms and conditions contained thereon.

" **Quotation** " means either KWE's offer to sell Services and/or Material or KWE's document that provides a summary of the Statement of Work and pricing corresponding to the Statement of Work.

" **Services** " means various types of services as provided by KWE to Customer covering items such as training , maintenance services, on-site support, applications engineering, site engineering and installation. Services are not Material. Additional fees apply for Services

" **Shipment Date** " means the date on which KWE has scheduled shipment of Material to Customer.

**1. ACCEPTANCE OF PURCHASE ORDERS**

All Customer Purchase Orders are subject to written acceptance by KWE, at its sole discretion, even if received elsewhere by a salesperson, selling agent or representative. No Customer Purchase Order will be binding upon KWE until KWE accepts such in writing.

## **2. PURCHASE ORDER CHANGES**

Customer may not change its Purchase Order without KWE's written consent. Any revision in drawings, designs, specifications, shipment completion dates or Purchase Order termination requested by Customer may result in additional cost to Customer. KWE's performance of Customer's request shall commence only upon the issuance of a new Purchase Order or written amendment to an existing Purchase Order authorizing the applicable charge.

Customer's oral requests for Services shall be binding on Customer and deemed by KWE as valid Customer Purchase Orders, governed by these terms and conditions. Customer further agrees, as a result of any request made hereunder to pay any and all charges associated with such Service request.

## **3. PRICE OF MATERIAL AND/OR SERVICES**

The price for Material and Services are based on KWE's published list prices in effect at time of KWE's receipt of Customer's Purchase Order or a valid Quotation or proposal. A Quotation is valid for a period of thirty [30] days from the date of issue. Errors or omissions in price are subject to correction by KWE.

All published list prices are subject to change by KWE without notice. KWE retains all rights to change the Material and/or Services or may discontinue any Material and/or Services at KWE's sole discretion.

## **4. PRICES; ADJUSTMENTS**

The price of Services may subsequently be adjusted to reasonably reflect the adverse cost impact to KWE of:

- i. Customer changes or delays which are outside of the scope of Services;
- ii. legal/regulatory changes which occur after the issuance of the Quotation for the particular Services in question; and
- iii. the failure of Customer to perform its obligations under Sections 5 and 6.

KWE will provide a written notice and reason for an adjustment to the price within a reasonable period of time after KWE becomes aware of an event under which KWE intends to request an adjustment. The parties will then determine, in a commercially reasonable manner, the price adjustment that is appropriate.

## **5. SCHEDULE FOR PERFORMANCE OF SERVICES**

KWE will perform the Services in accordance with the schedule stated in the Quotation. Both parties agree to adhere to the schedule, however, each party will give due consideration to any reasonable proposal by the other party regarding changes in the schedule which, if agreed upon, will be recorded in a written modification to the applicable Purchase Order. Dates for performance of Services are estimated by KWE in good faith but not guaranteed by KWE.

## **6. SITE PREPARATION AND CONDITION FOR SERVICES**

Customer will be responsible for preparation of the site, at which KWE will perform the Services, to the specifications and in accordance with the time schedule stated in the Quotation.

## **7. PACKAGING, SHIPMENT AND SERVICE DATES**

Delivery dates are estimated and are based on prompt receipt by KWE of:

- i. an order and all information necessary to permit KWE to proceed with work immediately and without interruption;
- ii. satisfactory assurance of compliance with the terms of payment agreed upon; and
- iii. such evidence as KWE may request that any required export permit or import licence has been issued.

KWE shall deliver the products to the purchaser F.C.A. [Toronto], Canada, or to such other point as is named herein by KWE. If, when the products or any part thereof are ready for delivery, such delivery cannot be made because of *force majeure* or an act of the Customer, KWE may place the products in storage. In such event, all expenses incurred by Seller in connection with placing the products in storage, such as preparation for and delivery into storage, handling, storage and insurance, shall be payable by the Customer upon submission of invoices.

## **8. TITLE, RISK OF LOSS AND INSURANCE**

Title, risk of loss, damage and insurance responsibilities for the Products pass from KWE to Customer upon acceptance of Product by the shipping agent or carrier.

For all Materials shipped, KWE shall retain a security interest in the Materials until payment, in full, has been received by KWE for such Materials delivered and Services performed. Customer shall execute any instrument reasonably required for KWE's protection of such security interest.

## **9. PAYMENT TERMS**

Customer's payment obligations are stated on KWE's invoices. Invoices for Services will be rendered in accordance with an established milestone schedule or upon completion of any Services. Late charges of two percent [2%] per month on outstanding balances may be charged. All amounts due shall be payable in Canadian dollars unless otherwise specifically agreed upon.

## **10. COMPLIANCE WITH APPLICABLE LAWS**

The Customer will comply with all applicable laws affecting the purchase and use of Material. Customer agrees to maintain all registrations with governmental agencies, commercial registries, chambers of commerce, or other offices which may be required under law in order to properly conduct commercial business.

## **11. FORCE MAJEURE**

KWE is not liable for failure or delay in fulfilling its obligations due to any causes beyond its control. In the event of any such delay, the date for shipment or performance of Services will be extended accordingly.

## **12. GOVERNING LANGUAGE**

The parties hereby confirm that they have agreed that all written documents between them be prepared in the English language only and such language shall be the governing language. Les parties aux présentes confirment qu'elles ont agréés que tous les documents entre eux par écrit soit rédigé dans la langue anglaise seulement, et telle langue sera la langue de contrôle.

## **13. GOVERNING LAW/VENUE**

The contract created by the acceptance of a Purchase Order shall be construed, interpreted and applied in accordance with the laws of Ontario.

If Customer institutes any legal proceeding in any other court, it shall assume all of KWE's costs in connection therewith, including reasonable attorney's fees. Registered or certified mail of any legal process shall constitute lawful and valid service of process in any such proceeding, suit or controversy.

## **14. INTELLECTUAL PROPERTY RIGHTS**

All drawings, data, designs, tooling, equipment, procedures, engineering changes, inventions, trade secrets, copyrights, patents, patent applications, know-how, computer and/or Product software and all parts thereof, trademarks and all other information, technical or otherwise which was developed, made or supplied by or for KWE in the production of any Material or the performance of any Service sold, rendered or licensed hereunder will be and remain the sole property of KWE (or its licensors, if any). Customer agrees not to reverse engineer any Materials purchased hereunder.

## **15. SURVIVAL OF TERMS**

The termination or cancellation of any Customer Purchase Order or any relationship created hereunder between the parties or the delivery of Material or performance of Services under Customer's Purchase Order shall not affect each party's obligations and rights under these terms and conditions, which by their nature, survive, notwithstanding such termination, cancellation, delivery or performance.