iControls®

Standard Terms and Conditions

1. General
No waiver, alteration or modification of the present Terms and Conditions (or Agreement) shall be binding on iControls Inc. (iControls), unless made in writing and signed by a duly authorized officer of iControls.

2. Pricing and Quotations
All pricing offered by iControls, as well as possibile volume discounts, are subject to change without prior notice. All prices offered are FOB iControls' facility in Richmond Hill, Ontario, Canada.
Unless otherwise stated in writing on proposals or quotes, all quotations will expire 30 days after the date indicated on the quotation form or letter. Verbal quotations shall not be binding on iControls until confirmed in writing.

Typographical or clerical errors on quotations shall not be binding on iControls and are subject to corrections without prejudice.

All applicable taxes are not included in any price quoted by iControls. The Purchaser shall be responsible for the payment of any tax, levy, duty, fee or assessment imposed by any level of government or other taxing authority, with regards to any goods, products or services purchased from iControls.

3. Prototype Development
iControls will develop and provide one prototype testing sample built to pre-agreed technical specifications to be loaned for a predetermined period of time for performance testing. The purchaser accepts responsibility for the care and thorough testing (in-house and/or field) of this prototype and agrees that any further required physical modifications not covered in the initial Prototype Development Agreement (see separate document) will be subject to a suitable modification fee (software modifications to the prototype are provided by iControls free of charge). Likewise, any physical damage to the prototype due to mishandling or negligence while in the possession of the purchaser or one of his agents will result in a charge not to exceed the replacement value of the prototype in addition to possible costs associated with its recovery, repair and/or replacement. The prototype will remain the property of iControls, and is to be returned to its possession following testing. Please note that for field testing, the prototype will require safety certification from an official safety authority (ESA, CSA, UL, etc…). Please consult with iControls in order to ensure that we procure the requisite approvals.

Purchase orders placed by the purchaser based on the prototype indicate that thorough testing of the prototype has been performed, and the product is fully functional and accepted as provided, requiring no further modifications. Following product provided by iControls will match the characteristics of the prototype in every way, unless otherwise agreed, in writing, by iControls and the purchaser.

4. Intellectual Property and Confidentiality
iControls has a thorough Confidentiality and Nondisclosure Agreement (see separate document) designed to protect the intellectual property rights of both parties. Should the purchaser and iControls agree to move to the prototype development stage, this document will require the signature of all involved parties. Please refer to the document for further details.

5. Orders
All orders are subject to iControls acceptance. Unless specifically stated in writing by iControls, products can only be ordered in agreed purchasing quantities. All orders are considered non-cancellable and non-returnable (as clarified in Clause 10 and 11), unless superseded in writing and signed by a duly authorized officer of iControls.

6. Delivery Dates
Delivery dates given in acceptance of Purchase Orders are to be deemed approximate. iControls shall not be liable for any delays in delivery due to causes beyond its control, or beyond the control of iControls'

suppliers, including acts of God, acts of any military or civil authority, war or civil riots, strikes, fire, acts of the Purchaser, delays on transportation, or stock shortages. Any such delay shall extend the delivery date correspondingly.

7. Partial and Deferred Shipments
iControls reserves the right to provide partial shipments. Each shipment shall then constitute a separate sale under the same purchase order, subject to the Terms and Conditions stated herein or modified in writing as per Clause (n. 1 above.)
Deferred shipments by customer may be subject to iControls' price adjustment policy.

8. Cost of Transportation
iControls may offer, under specific circumstances, to pay for the cost of transportation of the goods purchased by the Purchaser, to the destination specified in the Purchase Order or to a destination to be agreed upon by the Purchaser and iControls.

In such cases, iControls shall use a common carrier of its choice. Should the Purchaser request any particular method of shipment, the whole cost of transportation will revert to the Purchaser.
In those cases where iControls pays the cost of transportation, the products travel at the Purchaser's risk. It will be the Purchaser's responsibility to pay for appropriate insurance of the goods shipped.

9. Terms of Payment
Purchaser agrees to make payments within 30 (thirty) days from the date of the invoice issued by iControls. Purchaser agrees to pay a late payment charge of 5% (five percent) per month, or the maximum late payment charge allowed by applicable laws, whichever is less, on any unpaid amount of such invoice per each calendar month that such payment is in default.

Charging of such a late payment charge does not imply any obligation for iControls to grant any extension of the terms of payment.

In the event of referral to a collection agency or attorney for the purpose of collecting overdue payments from the Purchaser, it is agreed that the Purchaser shall pay reasonable attorneys or collection fees.
Should no payment be received within 60 (sixty) days from the date of the invoice, all current and future scheduled releases due to the customer may, at the discretion of iControls, be suspended until payment issues have been resolved. Furthermore, in such instances, iControls reserves the right to delay or cancel any possible service or warranty obligations until payment resolution.

10. Credit Approval
Acceptance of any Purchase Order shall be subject to approval of the Purchaser's credit by iControls. iControls reserves the right to establish credit limits to any Purchaser.

11. Title
Title to the goods and products purchased from iControls shall be retained by iControls until the Purchaser, including such charges and fees, which may be applicable under clause 7, makes payment in full. This Title is maintained notwithstanding the mode of attachment of the goods and products to any property of the Purchaser, or the further sale thereof.

Title is reserved for the purpose of securing the cost of the goods and products. Purchaser is not relieved from the duty to examine the goods and products upon receipt and to exercise due care in test, use, maintenance and installation of the goods and products until Title is transferred.

Risk of loss is passed to the Purchaser from iControls at the moment of shipment, notwithstanding the reservation of Title mentioned hereupon.

12. Order Cancellation or Rescheduling
The Purchaser may not cancel, defer, or modify a Purchase Order after it has been accepted by iControls

without iControls' prior written consent. This statement does not imply that such consent will automatically be granted. Requests for modification or deferment must be sent to iControls in writing.
No cancellation shall be accepted by iControls.

For blanket orders, where special discounts have been negotiated based on large quantities, deferment of releases may be accepted for no greater period of time than one month from its originally planned date. Any possible deferment is subject to iControls' prior written consent.

13. Returns
No goods and products may be returned to iControls, including those covered under its warranty program, without iControls' prior consent in writing. Such consent may be withheld by iControls or given upon such terms as iControls may stipulate.
In case a return is consented, Purchaser must obtain a Return Authorization Number in writing from iControls, and such number must be clearly stated on shipping documents. Consented returns shall not be received without a valid Return Authorization Number.
The Purchaser shall pay all shipping costs related to such returns. All products returned based on the above conditions shall be inspected by iControls. Except in case of Products under Warranty (see Clause 15), damaged, defective or incomplete products shall not be accepted by iControls and will be placed at Purchaser's disposal.
All authorized returned goods passing inspection are subject to a restocking charge of 20%.

14. Liability
Except to the obligations specifically assumed by iControls under Clause 15, the Purchaser indemnifies and holds harmless iControls from and against all claims, damage, liability, loss and whatsoever expense, including legal fees, arising out of this sales agreement, whether or not such claims, damage, liability, loss and whatsoever expense are insured by either party, and whether or not such claims, damage, liability, loss and whatsoever expense is a consequence of fundamental breach, and irrespective of any negligence on the part of iControls or any of its affiliates or subcontractors.
Without limitation, the Purchaser indemnifies and holds harmless iControls from and against:
Claims in respect of damage of or caused by any product or goods, including bodily injury, damage to property and any other direct or indirect loss or increased cost suffered by the Purchaser or any third party;
Claims in respect of delays in delivery of any product;

Claims in respect of the infringing of patent, confidential information or any other intellectual or industrial property or any other right arising from the use of, or in respect to any product or goods;
Claims related in any other way to any goods or product.

15. Limited Warranty (this clause is available as a separate document)

Pulse Warranty
All Pulse operators are warranted for two years from the date of purchase, or for the number of cycles listed below, whichever occurs first.

Pulse 100 Series: 500,000 cycles
Pulse 200 Series: 250,000 cycles
Pulse 300 Series: 1,000,000 cycles
Pulse 400 Series: 1,000,000 cycles
Pulse 500 Series: 1,000,000 cycle

This warranty is inclusive of, and limited to, all component and manufacturing defects only, and does not cover possible failure due to external forces including irregularities caused by impact, improper installation and/or connection, voltage surges and any and all other user and/or environmentally caused failures. This warranty is valid for replacement or repair of defective product only, and does not include any labour incurred for the removal or installation of defective part(s), re-installation of replacement/repaired product,

shipping charges for the return of the product, or other possible costs related to the inoperability of the operator. Coverage does not extend to maintenance of motor brushes which should be replaced every 200,000 cycles.

Software reliability and performance is also covered under our warranty, but does not include software updates, upgrades and/or custom modifications unless so authorized in writing by iControls.

LED Light and Communication Panel Warranty
In the unlikely event of product failure, all iControls developed accessory products are fully warrantied for a period of 3 years from their purchase date, unless noted otherwise. This warranty is inclusive of, and limited to, all component and manufacturing defects only, and does not cover possible failure due to external forces including irregularities caused by impact, improper installation and/or connection, voltage surges and any and all other user and/or environmentally caused failures. iControls warranty is valid for replacement or repair of defective product only.

If a warranty claim is deemed necessary, and upon receipt of a signed iControls Warranty Form, iControls will immediately ship or deliver a replacement product along with procedural instructions for the claim and the alleged defective product's return, to the claimant via expedited courier. In so doing, iControls does not accept any liability due to defect, nor to any costs associated with the temporary inoperability of the control unit. Furthermore, should the product failure be deemed a result of user or environmental influence, and not manufacturing defect, it is agreed that all costs associated with its replacement including cost of the replacement product, its shipment, and shipment of the alleged defective unit and its return, will be the responsibility of the party initiating the warranty claim. Likewise, should the alleged defective product not be returned for diagnostic inspection, all costs shall be the responsibility of the initiating claimant that has signed the Warranty Form.

Labour charges for installation or repairs shall be the responsibility of the customer.

EXCEPT AS STATED IN THIS AGREEMENT, NO OTHER WARRANTIES EXIST, EXPRESS OR IMPLIED.
LIMITATION OF LIABILITY. iControls' LIABILITY ON ANY CLAIM OF ANY KIND, INCLUDING NEGLIGENCE, FOR ANY DAMAGE OR LOSS RESULTING FROM, OR ARISING OUT OF THE PURCHASE OF ANY GOODS OR PRODUCTS SUPPLIED BY iControls, OR FROM THE BREACH OF PERFORMANCE THEREOF, IS LIMITED TO THE DIFFERENCE BETWEEN THE VALUE OF THE SAID GOODS OR PRODUCTS AS PURCHASED, AND THE VALUE THEY WOULD HAVE HAD IF THEY HAD BEEN AS WARRANTED. NO OTHER CLAIM SHALL BE MADE FOR OTHER INCIDENTAL OR CONSEQUENTIAL LOSSES.

16. Patents
No claim shall be made against iControls for any expense or loss resulting from infringement of patents in connection with the purchase of goods or products.

17. Assignment and Enforceability
This Agreement is not assignable without the written consent of iControls. Should any provision of this Agreement be held to be invalid, unenforceable or illegal, the validity, enforceability and legality of the remaining provisions shall not be impaired or affected in any way.

THE PURCHASER ACKNOWLEDGES THAT HE HAS READ AND UNDERSTOOD THE PRESENT AGREEMENT, AND AGREES THAT THE SAME IS THE COMPLETE STATEMENT OF THE AGREEMENT BETWEEN HIMSELF AND ICONTROLS, THAT THE PURCHASER SHALL BE BOUND BY ITS TERMS AND CONDITIONS, AND THAT ANY PREVIOUS COMMUNICATION, AGREEMENT, OR STATEMENT, VERBAL OR IN WRITING, EXPRESS OR IMPLIED, RELATED TO THE SUBJECT MATTER, ARE SUPERSEDED BY THIS AGREEMENT.