



ORDER TERMS AND CONDITIONS

Colourific Coatings Ltd., (hereinafter referred to as "Colourific") may insist upon strict compliance with the following terms and conditions despite any previous custom, practice or course of dealing to the contrary.

1. Delivery

Shipping will be made in accordance with shipping instructions received from the Customer. The acceptance of a shipment by the Customer or by any carrier specified by the Customer shall constitute a delivery to the Customer.

2. Price Increase

The price quoted, if any, is subject to increase based on any future increase in the cost of labour and/or materials and shall become effective immediately upon notice thereof being given by Colourific to the Customer.

3. Taxes

Should any government or governmental body, board or agency impose or increase any applicable sales, excise, goods and services or other taxes beyond those in effect at the date of any Work Order or Invoice, Colourific reserves the right to increase prices to the Customer by an amount sufficient to cover such additional taxes.

4. Unshipped Goods

Any unshipped balance of goods, resulting from the Customer's refusal or inability to take delivery, remaining in the possession of Colourific fourteen (14) days after notice given to the Customer will be invoiced to the Customer on the usual terms, and the Customer shall pay to Colourific storage charges of ten (10%) percent of the invoice value per month, to be billed and paid monthly. If delivery of any goods has not been completed within three (3) months from the notice, as stated herein, the Customer authorizes Colourific to dispose of such goods for the Customer's account at such price and upon such terms and conditions as Colourific in its sole discretion considers appropriate, and the Customer authorizes Colourific to deduct from the sale proceeds any and all costs incurred by Colourific with respect to such disposition.

5. Limit on Liability:

(a) Colourific shall not be liable for any loss, damage or cost of the Customer incurred as a result of non-performance or delay in performance that is due wholly or partly to fire, flood, any act of God, the government or its enemies (foreign or domestic), riot, act of war (whether or not declared), terrorism, labour dispute or other cause beyond the reasonable control of Colourific.

(b) Colourific's liability shall be limited in all cases, whether founded in contract, tort or otherwise, to the Customer's actual direct damages, and Colourific shall not be liable for any prospective profit or for any special, indirect, punitive, exemplary, aggravated, consequential damages resulting from non-delivery, late delivery, use of, or inability of the Customer to use the Goods.

6. Remedies of Colourific upon Customer's Default

(i) If payment on any Invoice is delayed by the Customer by more than 30 days from the date of the Invoice (hereinafter referred to as the "Customer Default"), Colourific reserves the right to exercise any or all of the following remedies:

a. stop work at any time with respect to any goods already ordered by the Customer



pursuant to any Work Order, and bill the Customer for the selling price of hours and materials in process at such date, which price shall become due and payable upon the Customer Default;

b. complete the manufacture of goods or parts in order to put the goods into a saleable condition provided that so doing, in the reasonable commercial judgment of Colourific, will not result in a material increase in the damages of Colourific,

c. withhold delivery of any goods not yet delivered;

d. terminate its obligation to supply further goods under any Work Order;

e. intercept any goods then in the course of shipment from Colourific to the Customer that are in the possession of a carrier or other bailee (including any bailee from the Customer) and demand and receive the return of those goods;

f. sell or otherwise dispose of any goods completed under clause (b), withheld from delivery under clause (c) or intercepted and recovered by Colourific under clause (e) for such price and upon such terms and conditions as Colourific may reasonably consider appropriate, and the Customer shall be liable to Colourific for any deficiency between the proceeds realized on that sale or disposition, and the price payable to Colourific under any outstanding Invoice;

g. recover by action all damages arising from the Default; and

h. seek such other remedies as may be provided by law.

(ii) Where uncompleted goods or parts cannot, in Colourific's reasonable commercial judgment, be completed except by materially increasing Colourific's damages, Colourific shall cease the manufacture of the goods and shall sell or otherwise dispose of the goods or parts of goods then on hand for scrap or salvage at such price and upon such terms and conditions as Colourific reasonably considers appropriate, and then the Customer shall be liable to Colourific for any deficiency between the amount realized through that sale or disposition and the price payable by the Customer with respect to those goods.

(iii) Interest at 24% per annum, calculated monthly, not in advance, will be charged on all accounts overdue for more than 30 days. Colourific reserves the right, even after partial payment on account of any invoice from Colourific, to require from the Customer satisfactory security for due performance of its obligations. Refusal to furnish such satisfactory security will entitle Colourific upon notice to the Customer, to the remedies hereinbefore set out in sub-paragraph (i).

7. Governing Law

These Terms and Conditions shall be interpreted in accordance with the laws of the Province of Ontario.