

A. GENERAL

Thank you for choosing Virgin Technologies Inc. This is your copy of terms and conditions which are applicable to the purchase of equipment from Virgin Technologies Inc. BY ACCEPTING DELIVERY OF EQUIPMENT FROM VIRGIN TECHNOLOGIES INC YOU ARE AGREEING TO THESE TERMS AND CONDITIONS WHICH INCLUDE CERTAIN DISCLAIMERS.

B. DEFINITIONS

1. "Customer" means a person (firm, association, government, corporation, etc.) who purchases equipment from Virgin Technologies Inc and who is responsible for payment to Virgin Technologies Inc and for complying with the terms and conditions as set out herein.
2. "User" means the Customer's customer using the equipment sold by Virgin Technologies Inc.

C. PAYMENT

1. Unless otherwise stated, payment shall be made by the Customer to Virgin Technologies Inc on or before the delivery of the equipment to the Customer.
2. Interest at a compound rate of 1.5% per month, 19.56% per annum shall be charged on any overdue account.
3. Virgin Technologies Inc may require the Customer to furnish to Virgin Technologies Inc prior to delivery of the equipment, at the Customer's own expense, a Guarantee from a Guarantor that is acceptable to Virgin Technologies Inc, or Letter of Credit covering the Customer's obligation to pay for the equipment. The Letter of Credit shall be in such form and substance acceptable to Virgin Technologies Inc. The Letter of Credit shall be for an amount equivalent to the total price of the equipment. In the event the Customer does not fulfill its obligation to pay for the equipment purchased, payment received by Virgin Technologies Inc from the Letter of Credit or Guarantee shall be applied to the lump sum liquidated damage payment required to be paid pursuant to Section G. Any outstanding balance shall be recovered from the customer.

D. TAXES EXCLUDED

The purchase price payable to Virgin Technologies Inc hereunder is exclusive of all federal, provincial, and municipal taxes, duty(ies), fees, contributions, and other charges directly related to the equipment sold by Virgin Technologies Inc. The Customer shall be responsible for the payment of any such taxes, duty(ies), fees, contributions, and for other charges imposed by any Government Entity in Canada or in the U.S.A. (or any political subdivision thereof) with respect to the equipment sold under the Agreement.

E. WARRANTY

1. Subject to Sections E.2 and E.3 herein, Virgin Technologies Inc warrants that the equipment which it provides to the Customer pursuant to the terms herein shall be free from defects in workmanship and materials:

- (a) in the case of new equipment, for a period of one (1) year from the date of delivery to the Customer; and
- (b) in the case of used equipment, for a period of ninety (90) days from the date of delivery to the Customer.

Minor deviations in workmanship and materials, not affecting performance, shall not constitute defects in workmanship or materials.

2. This warranty shall be automatically cancelled, and Virgin Technologies Inc shall be absolved of any further liability or obligation hereunder:

- (a) if repair or replacement of the equipment is required because of causes other than ordinary use, including accidents, neglect, misuse, transportation damage, or operation outside of published specifications;
- (b) if the equipment is altered, modified, tampered with, abused, or subjected to unusual physical or electrical stress; or
- (c) if the serial number or other means of identifying the equipment has been altered, removed, obliterated, defaced, or damaged by interconnection to other equipment by the Customer.

3. Virgin Technologies Inc warranty obligation shall be limited to repair or replacement of any and all equipment which has been promptly reported by the Customer as defective and has been so found by Virgin Technologies Inc upon inspection. Repair or replacement of defective items shall be at Virgin Technologies Inc designated location. Shipping charges for the transportation of defective items to Virgin Technologies Inc designated location shall be borne by the Customer, and return shipping charges shall be borne by Virgin Technologies Inc. Any items which are replaced shall become the property of Virgin Technologies Inc.

4. This warranty is not assignable. It shall apply only to the original Customer.

5. Virgin Technologies Inc provides no warranty for equipment which is sold to the Customer on an "as is" basis.

6. THE FOREGOING EQUIPMENT WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS EXPRESSED OR IMPLIED INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND THOSE ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE.

F. LIMITATION OF LIABILITY

1. The sole and exclusive remedy for breach of any and all warranties and the sole remedies for Virgin Technologies Inc liability of any kind with respect to the equipment and all other performance or non-performance by Virgin Technologies Inc shall be limited to the express remedies set forth in this document, T&C #102.
2. (a) Virgin Technologies Inc shall not be liable to the Customer or any user of the equipment, for special, indirect, consequential, or incidental damages (including, but not limited to, loss of profits, loss of use, loss of capital, cost of purchased or leased replacement goods) arising out of or in connection with the delivery, installation, use, repair, or performance of the equipment;
- (b) Virgin Technologies Inc shall not be liable for any damages resulting from the Customer's or User's improper use, management, or supervision of the equipment or the Customer's or User's actions or omissions;
- (c) VIRGIN TECHNOLOGIES INC MAXIMUM AGGREGATE LIABILITY FOR EQUIPMENT PURCHASED, SHALL NOT UNDER ANY CIRCUMSTANCES EXCEED THE AMOUNT PAID BY THE CUSTOMER TO VIRGIN TECHNOLOGIES INC FOR SUCH EQUIPMENT.
4. The Customer shall indemnify and save harmless Virgin Technologies Inc, its directors, officers, employees, and agents or any of them from and against:
 - (a) losses, damages, costs, expenses, liabilities and claims arising from a third party (including without limitation a user) in respect of the use of the equipment purchased herein;
 - (b) infringement of intellectual property rights including patents arising from combining or using Customer-provided facilities with the equipment purchased herein.

G. CANCELLATION

In the event of cancellation by the Customer prior to delivery and/or installation of such equipment, the Customer shall be liable to Virgin Technologies Inc, within 30 days, for all costs and associated out-of-pocket expenses incurred or already committed by Virgin Technologies Inc, including fair and reasonable profit, with respect to procurement, delivery and/or installation of such equipment.

H. SALES CONVEYS NO LICENSE

The sale of equipment is subject in every case to the condition that such sale does not convey any license, expressly or by implication, estoppel or otherwise, to manufacture, duplicate or otherwise copy or reproduce any of the equipment (including software supplied with such equipment). Notwithstanding the aforesaid, the Customer may, with prior written consent from Virgin

Technologies Inc copy technical manuals and other documentation provided with the equipment.

I. TITLE AND RISK OF LOSS

1. Title to the equipment shall pass to the Customer only upon payment in full.
2. Customer shall assume all risk of loss or damage to the equipment upon delivery of the equipment.

3. EXCUSABLE DELAYS

Except for Customer's obligation to pay for equipment delivered, if either party's performance of any of its obligations is prevented, restricted or interfered with by reason of fire, or other casualty or accident; strikes or labour disputes; war or other violence, any law, order, proclamation, regulation, ordinance, demand or requirement of any government agency; or any act or condition whatsoever beyond its reasonable control including delays due to omission or actions by the equipment manufacturer, such party upon giving prompt notice to the other party, shall be excused from such performance to the extent of such prevention, restriction or interference, provided that such party shall use its reasonable efforts to avoid or remove such causes of non-performance and shall continue to performance hereunder whenever such causes are removed.

K. VIENNA CONVENTION

The United Nations Convention on Contracts for the International Sale of Goods shall not apply.

L. GENERAL PROVISION

1. The rights of the Customer and Virgin Technologies Inc shall be determined in accordance with the laws in force in the Province of Alberta and the parties agree to submit irrevocably to the exclusive jurisdiction of its court.
2. The failure of Virgin Technologies Inc to insist upon the Customer's strict adherence to any provision herein on any occasion, or the waiver of a breach in any instance will not deprive Virgin Technologies Inc of the right thereafter to insist on strict adherence to that provision or any other provision herein, and will not be construed as a waiver of any subsequent breach, whether or not similar.
3. If the equipment sold to the Customer is made the subject of an order from the Customer, then T&C #102 shall be deemed to be the terms and conditions of such order and shall supersede and replace the terms and conditions of any such order.
4. No assignment in whole or in part will be allowed except with prior written consent of Virgin Technologies Inc
5. The terms and conditions set forth in this document – T&C #102 shall form part of and be incorporated in any definitive Purchase and Sale Agreement entered into between the parties.