

PURCHASE ORDER TERMS AND CONDITIONS

1. ACCEPTANCE OF PO

This PO is issued subject to the express condition that it may be accepted only on the terms and conditions contained in it. Seller shall be bound by the PO when it executes and returns the acknowledgment copy to MacDonald, Dettwiler and Associates Inc. (herein referred to as "MDA" or "Buyer"), when it otherwise indicates its acceptance of this PO or when it commences performance or delivers to Buyer any of the goods ordered herein. This PO constitutes the entire agreement between the Buyer and the Seller.

2. TIME OF ESSENCE

Time is of the essence of this PO. In the event that delivery of goods is not made in the quantities and at the time or times specified. Buyer may, at its sole option and without incurring any liability and in addition to all other rights and remedies which it may have pursuant to this PO, take either or both of the following courses of action: (a) direct expeditious routing of goods (the difference in cost between the expedited routing and the PO routing costs shall be paid by the Seller), or as to goods not yet shipped, (b) terminate this PO by notice in writing and purchase substitute goods elsewhere and charge the Seller with any loss, direct or indirect, thereby incurred.

3. DELAYS

Seller shall notify Buyer within twenty-four (24) hours of the occurrence of any event which may affect the delivery schedule, the price, the performance of the PO or any other condition of the PO, whether or not such event is beyond the control of the Seller.

4. QUALITY ASSURANCE

Seller shall maintain a quality assurance program that conforms to the requirements set out in the PO.

5. INSPECTION AND ACCEPTANCE

All goods are subject to inspection and approval by Buyer prior to acceptance. Neither delivery, receiving inspection, nor payment for the goods shall constitute acceptance. Buyer shall have no obligation to pay for or give other consideration for rejected goods.

6. WARRANTY

In addition to any warranty, express or implied by law or otherwise, and notwithstanding prior acceptance by Buyer, Seller shall replace the goods without cost to Buyer, if, within a period of twelve (12) months following acceptance, the goods are determined to be defective in design, material, performance, workmanship or are otherwise not in accordance with the requirements of the PO.

7. BUYER PROPERTY

All equipment loaned or supplied to Seller by Buyer pursuant to this PO shall remain the property of Buyer. Seller shall be liable for any damage or loss to the said equipment until returned to Buyer.

8. CONTINUOUS PERFORMANCE

Pending the settlement of any dispute, difference or claim arising under this PO, the Seller shall proceed diligently with the performance of this PO.

9. CHANGES

Buyer may at any time, by Notice, make changes to the PO. If any such change causes an increase or decrease in the cost or the time required for the performance of any part of the PO, an equitable adjustment in the price or delivery schedule, or both as may be required, shall be negotiated and the PO shall be amended in writing accordingly. Any claim for adjustment shall be deemed waived unless asserted by written notice (including details of the claim) to be received by Buyer within twenty-five (25) days of Buyer's notice to Seller. Nothing shall excuse Seller from promptly proceeding with the PO as changed.

10. TITLE AND RISK

Seller warrants that delivered goods are free of all liens, encumbrances and other defects of title. Title to the goods shall pass to Buyer upon delivery. The PO shall be performed at the sole risk of Seller. Without prejudice to Buyer's right of rejection under "WARRANTY", risk shall pass to Buyer upon delivery of the goods to the destination specified.

11. SHIPPING INSTRUCTIONS

All goods delivered shall be accompanied by a packing slip and, where appropriate, Material Safety Data Sheets. The packing slip shall provide at least the following information: a description of the items, part numbers, revision status, quantity shipped and PO number. Seller shall comply with all requirements of the Transportation of Dangerous Goods Act (Canada).

12. CUSTOMS and IMPORT/EXPORT

Two copies of a properly completed and signed Canada Customs invoice showing number of parcels, description of the PO, weight, unit price and selling price is required with every shipment of goods into Canada. Seller shall be solely responsible to obtain and maintain any registration or operation licenses and permits, import or export approvals from any governmental authority as applicable to the work. Seller shall be responsible for any and all costs or delays resulting from failure to obtain any such authorizations.

13. TERMINATION FOR CONVENIENCE

Buyer has the right to terminate the PO or any part thereof at any time upon giving Seller written notice. Seller shall immediately cease work and be reimbursed for all work performed, subject to acceptance by Buyer, and all expenses properly incurred to the date of termination specified in the notice. In no event shall payment exceed the PO price less any amount previously received by Seller.

14. DEFAULT

Buyer may at any time by notice terminate all or any part of this PO if Seller is in default of performing any part of the PO and fails to take steps satisfactory to Buyer to remedy the default within ten (10) days of receipt of written notice from Buyer. Buyer may terminate the PO forthwith if Seller commits any act of insolvency, bankruptcy or enters into receivership.

15. SELLER'S LIABILITY

Seller shall indemnify and save harmless Buyer from and against all claims, demands, proceedings, damages, costs and expenses made against or incurred by Buyer which may be caused by Seller, directly or indirectly, in whole or in part.

Seller's liability shall survive delivery, acceptance, approval or use of the goods or any part thereof, by Buyer.

16. LIMITATION OF LIABILITY

Notwithstanding any other provision of the PO, Buyer's total liability resulting from or in connection with this PO shall not exceed the PO price. In no event whatsoever shall Buyer be liable for indirect or consequential damages or for loss of Seller's use or profit.

17. FINANCIAL

This is a firm fixed price PO in Canadian dollars (unless stated otherwise on the face of this PO). The price includes all charges, including, but not limited to, charges related to packaging, preservation, transportation, delivery, taxes, costs relating to customs and duties, and shall not be subject to adjustment due to changes in rates.

18. INSURANCE

Seller shall provide and maintain, at its own expense, adequate all risk insurance covering the work and the premises in which the PO is being performed during the entire period of performance of the PO. Seller shall provide proof of such insurance upon request. Seller shall be responsible to Buyer for any and all damages incurred by Buyer including all costs and expenses arising from or due to the Seller's failure to obtain and maintain insurance.

19. ASSIGNMENT

Buyer shall have the right to transfer, sell or assign its rights and obligations hereunder upon written notice to Seller. Seller shall not transfer, sell or assign the PO or any part thereof without the prior written consent of Buyer.

20. PUBLICITY

Seller agrees that it shall not release for publicity in any manner, style or form any information whatsoever in connection with this PO, without the prior written permission of Buyer.

21. APPLICABLE LAW

The laws of the Province of Ontario, Canada shall govern the legal obligations of the parties and the interpretation of the PO and the parties attorn to this jurisdiction. Seller shall comply with all applicable laws and regulations, by-laws and directives relating to the goods and services hereunder, including without limitation all those relating to occupational health and safety, environmental protection, hazardous products and workers' safety insurance board requirements.

22. CONFIDENTIALITY

Seller agrees to hold confidential any and all information which it receives from Buyer or through its association with Buyer under this PO, and shall not divulge or use such information for its own benefit or for the benefit of any other person or company unless the prior written permission of Buyer is obtained. Seller acknowledges that any invention or process developed by using MDA's information, will be the property of MDA. This covenant shall survive termination of the PO. Seller also agrees to execute such further documentation as MDA may reasonably require from time to time to evidence the above undertakings.

23. CANADIAN INDUSTRIAL, REGIONAL OR TECHNOLOGICAL BENEFITS

Buyer shall be the sole recipient of any industrial, regional or technological offset credits, including those associated with the Government of Canada's IRB or ITB policies, arising from the Work performed under this PO.