

GENERAL TERMS and CONDITIONS**«ENGINEERING and MANUFACTURING SERVICES »****1. APPLICATION**

The terms and conditions set forth herein (hereinafter the "Conditions") apply to all quotations, order acknowledgements, confirmations, acceptances and agreements entered into by Imperium Tool & Instrument (hereinafter referred to as IT&I) for the provision of Engineering and Manufacturing Services (hereinafter "the Services") by IT&I. In the event of any conflict between the terms and conditions stated on documents issued by the Client and the present Conditions, the Conditions will prevail. The terms and conditions of the Client, including the modifications to IT&I's Conditions made by the Client, will only bind IT&I if and insofar as IT&I has explicitly and in writing accepted the applicability thereof. If any of the provisions of the Conditions are rendered null and void, this will not affect the other provisions which will remain in force.

2. SCOPE

2.1 All Services ordered with IT&I by the Client will be performed in a professional manner while observing generally recognized commercial practices and standards. The Client acknowledges and agrees that IT&I's advice and assistance, provided within the scope of these Conditions is, to a large extent, directly depending upon the Client's full cooperation and assistance. Therefore, the Client will provide at its own expense to IT&I, spontaneously or upon IT&I's request and in a timely manner, all relevant information, documentation, materials and access to the Client's facilities, necessary to the performance of the Services. The Client will ensure the information's accuracy and completeness. Any delay in the provision of such information, documentation, materials and/or access by the Client, will automatically entail the suspension of IT&I's obligations until such time as the information, documentation and/or materials are supplied and/ or access has been given. In the event the delay exceeds three (3) months, IT&I may cancel any outstanding provision of Services, without any prejudice to any rights which IT&I might have in this regard.

3. ORDER ACKNOWLEDGEMENT

All orders for the provision of Services by IT&I will be subject to written acceptance by IT&I.

4. FEES and CHARGES

4.1. IT&I's quoted fees and charges are valid for all orders issued within the quotation validity period for Services for which the Client requests a performance start date within six (6) months from the initial order date. Fees and charges are exclusive of Value Added Tax (VAT) and other applicable sales taxes or duties.

4.2. Except as otherwise stated in IT&I's quotation, services will be invoiced upon completion or, if the performance of Services exceeds a one month time frame, partially at the end of each month. Receipt of the final IT&I report by the Client implies acceptance thereof at the date of receipt, unless the Client refuses acceptance in a well-founded way in writing within 14 working days after receipt date.

4.3. Except as otherwise stated in IT&I's quotation, IT&I's fees and charges and any additional sums payable shall be paid by the Client (together with any applicable Value Added Tax, and without any set-off or other deduction) within 30 days of the date of IT&I's invoice.

4.4. If payment is not made on the due date, IT&I shall be entitled, without limiting any other rights it may have, to charge interest on the outstanding amount (both before and after any judgment) at the rate of 10%, above IT&I's bank base rate from the due date until the outstanding amount is paid in full. Also, IT&I may charge the Client a penalty of ten (10) percent calculated on the total order amount.

4.5. Should the Client cancel any order prior to the start date of any performance of Services hereunder, IT&I will be entitled to invoice the Client a cancellation charge equal to five (5) percent of the total order amount, with a minimum of the equivalent of five hundred (\$500) dollars.

4.6. Any cancellation during the performance of the Services will be subject to the payment by the Client of all Services performed and costs including, but not limited to, labor, travel and materials, incurred by IT&I up to the date of cancellation, calculated on a Time & Material basis.

5. PERFORMANCE DATES

5.1. Any performance completion dates quoted by IT&I are estimates and in no way binding. IT&I will make every effort to ensure that the Services will be performed according to the indicated completion date. IT&I will however not be liable for any late or partial performance of Services resulting from events beyond its control or due to unforeseen circumstances.

5.2. In the event the performance of Services has to be delayed or suspended as a result of the

Client's failure to make available all necessary and accurate information, documentation and/or materials or to provide IT&I with access to all facilities and adequate working space considered as necessary by IT&I personnel, IT&I will be authorized to review and adapt the completion dates and will also be entitled to extra charges for any additional but reasonable expenses, increasing IT&I's costs.

6. CONFIDENTIAL INFORMATION

6.1. All information provided by the Client under article 2 will not be disclosed or provided by IT&I to any other person than the Client's or IT&I's employees or employees of those parties assisting IT&I with the performance of such Services. Also, IT&I will not use the information for any purpose other than the provision of the agreed Services, except with the prior written consent of the Client.

6.2. Because of their confidential nature, the Client may not disclose, provide or otherwise make available to any person other than the Client's employees, copy or use in any manner except for its own use, the IT&I quotations, reports, listings and related documentation arising out of the performance of Services. The Client will take all reasonable precautions to prevent any disclosure or unauthorized use.

6.3. The foregoing (articles 6.1 and 6.2) shall not apply to any information which is public knowledge at the time when they are so provided by either party, and shall cease to apply if at any future time they become public knowledge through no fault of the other party.

6.4. The Client warrants that any documentation provided and its use by the IT&I for the purpose of providing the Services will not infringe the copyright or other rights of any third party, and the Client shall indemnify IT&I against any loss, damages, costs, expenses or other claims arising from any such infringement.

7. PROPRIETARY RIGHTS

7.1. Any discovery, invention, improvement or adaptation resulting from and including any knowhow, techniques, concepts or ideas, developed in the performance of the Services provided hereunder, will remain the property of IT&I.

7.2. IT&I will be entitled to provide services of a similar nature to other clients, using the general know-how, techniques, concepts, ideas or experiences developed hereunder.

7.3. The Client hereby explicitly agrees that IT&I will be authorized to use the results out of the performance of Services rendered hereunder, in media releases and public announcements, provided these releases or announcements are limited to general, non-Client traceable information.

8. QUALIFIED PERSONNEL

8.1. All Services will be performed by qualified and trained personnel, selected by IT&I.

8.2. IT&I will, upon acceptance of the Client's order, appoint a Project Manager who will liaise with the Client's appointed representative.

8.3. IT&I's personnel having acquired specific skills and expertise when performing the Services, the Client will refrain from offering employment to IT&I employees performing Services hereunder, for a period starting upon the actual performance and lasting up to twelve (12) months after the final completion or premature termination of the performance of Services.

9. DUTIES PERFORMED by THIRD PARTIES

The duties of IT&I under these Conditions may be carried out by a Third Party appointed by IT&I. The Client acknowledges that IT&I will however bear no responsibility or liability whatsoever in such event.

10. SUSPENSION and TERMINATION

IT&I may suspend or terminate with immediate effect, without prior notification and without the Court's intervention, any performance under these Conditions or cancel any outstanding order for Services without prejudice to any other right which IT&I might have in this regard, in the event...

- the Client fails to pay any amount due or fails to perform any of its other obligations under these Conditions and has not observed a formal notice sent by IT&I to the Client to remedy such default within ten (10) days;
- of bankruptcy or liquidation or any similar proceedings started against or voluntarily by the Client.

11. GUARANTEE

The final performance results being defined and affected by various variable elements, IT&I does not make any guarantee or representation, whether expressed or implied, as to the Services performed hereunder.

12. LIABILITY and INDEMNITY

The liability of IT&I under these Conditions is hereby limited to the compensation of the direct damages caused to the Client only, if and insofar as the Client furnishes evidence and IT&I acknowledges the reality of such damages. Any claim for liability under these Conditions, related to the provision of Services, will, in all cases, be limited to the amount of the fees and charges payable for the Services. Also, IT&I will not be liable for...

- any unforeseeable, consequential or indirect damages, including but not limited to commercial losses, increase of expenses, loss of clientele, loss of databases or programs or actions and claims made by third parties;
- any damages arising out of the act, whether committed by fault or negligence or not, of the Client or his employees, the injured person or any person for whom the Client or the injured person is responsible, including but not limited to any damages caused by the failure to observe any and all instructions, written or oral, provided by IT&I;
- any damages recovered by third parties from the Client;
- any damages caused by hardware, software or other products or services furnished by others than IT&I. The provisions of this article 12, including all limitations of liability will apply and remain enforceable, except and to the extent that any mandatory law or regulation, if applicable, provide otherwise. Each Client will indemnify IT&I, its directors and employees (on whose behalf IT&I contracts for the purpose of securing such indemnity) against third party claims relating to the performance by IT&I of Services to the Client including in each case claims based on negligence. The Client will take all necessary measures vis-à-vis third parties in order to confirm the exclusion of liability of IT&I as stated above.

13. FORCE MAJEURE

In case of Force Majeure such as fire, strike, riot or any other act beyond its control, IT&I will not be liable for any default or delay in performance of all or part of its obligations. IT&I will however take all necessary measures to reduce the period of non-performance and will immediately continue performance whenever such Force Majeure cause is removed. If, due to such Force Majeure cause, the scheduled performance dates should be delayed for more than three (3) months, IT&I will be entitled to cancel the present agreement for Services or any part thereof, without incurring any liability towards the Client by reason of this cancellation.

14. ASSIGNMENT

The present agreement, and any rights hereunder, may not be assigned in whole or in part by the Client to any other party, except with the prior written approval of IT&I.

15. GENERAL

15.1. Any notice required or permitted to be given by either party to the other under these Conditions shall be in writing addressed to the other party at its registered office or principal place of business or such other address as may at the relevant time have been notified pursuant to this provision to the party giving the notice.

15.2. No failure or delay by either party in exercising any of its rights under the Contract shall be deemed to be a waiver of that right, and no waiver by either party of any breach of the Contract by the other shall be considered as a waiver of any subsequent breach of the same or any other provision.

16. GOVERNING LAW and COMPETENT JURISDICTION

The present agreement is governed by Montana law. The Courts of the State of Montana, U.S.A., will have exclusive jurisdiction to hear any dispute arising under these Conditions and all orders, acceptances and agreements.

END of TERMS and CONDITIONS