

UNITED STATES AND CANADA TERMS AND CONDITIONS OF SALE – NOVEMBER 2006

1 Definitions

Invoice means the invoice issued by the Supplier which described the Products purchased by the Purchaser and which includes, either by direct incorporation or by reference, these terms and conditions.

Loss means any and all losses (including but not limited to indirect or consequential loss and loss of profits, business and business opportunities) damages, claims, liabilities and demands and all expenses, legal and otherwise (including but not limited to all legal fees and disbursements incurred) of whatsoever kind and nature.

Manufacturer means the corporation or other entity manufacturing a Product, as identified in the documentation accompanying that Product.

Products mean those products, supplies and goods listed on the Invoice of which these terms and conditions are a part.

Purchaser means the person or other legal entity nominated as purchasing the Products and set forth on the Invoice.

Supplier means Safety Equipment America, Inc., or its parent, subsidiary or affiliate that supplies Products as named in the Invoice.

2 Terms of Payment

2.1 Purchaser shall pay the purchase price for the Products in the manner set forth on the Invoice. Unless otherwise stated, payment shall be made within thirty (30) days from date of Invoice, and shall be in United States currency.

2.2 Prices stated on the Invoice do not include taxes on or related to goods and services, value added taxes, excise taxes, customs duties (if supplied to a country other than the same country as Supplier's address set forth on the Invoice), sales tax, freight charges and other delivery costs. Except as otherwise expressly set forth on the Invoice, these items shall be paid by Purchaser in addition to the price set forth on the Invoice, or if required to be paid by Supplier, shall be promptly reimbursed to Supplier by Purchaser.

2.3 Purchaser agrees to pay Supplier interest on all sums not received by Supplier within the period allowed for payment at a rate of one and one-half percent (1.5%) per month or the maximum amount permitted under applicable state law, whichever is less, calculated from the date on which payment was due to the date of full and final payment. In the event of a default by Purchaser, Purchaser shall be liable for all costs of collection including any reasonable attorney's fees and court costs.

3 Title and Risk

3.1 Title to the Products shall remain vested in Supplier and shall not pass to Purchaser until payment for the Products has been made in full. If Purchaser fails to pay any amount of the purchase price when due, Supplier shall have the right (in addition to all other rights it may possess in law and equity), at Supplier's absolute discretion and without notice to Purchaser, to enter upon Purchaser's

premises and remove any and all of the Products. Supplier reserves the right to dispose of the Products in such circumstances and to exercise any other rights and remedies available to Supplier.

3.2 Unless otherwise stated on the Invoice, all sales are F.O.B. Supplier's warehouse. The risk of loss or damage to the Products shall pass from Supplier to Purchaser upon dispatch from Supplier's warehouse or delivery to Purchaser or into the custody of anyone acting on Purchaser's behalf, whichever is the soonest.

3.3 If provided for on the Invoice, Supplier will arrange for delivery of the Products to Purchaser at Purchaser's risk and expense. In this event, Supplier may, if so requested by Purchaser and then at Purchaser's expense, arrange insurance coverage for the Products.

3.4 Delivery dates are approximate. Supplier will make reasonable efforts to have the Product delivered on the date agreed to between the parties but Supplier shall be under no liability whatsoever should delivery not take place on this date for whatever reason.

4 Cancellation, Acceptance and Return

4.1 No orders may be cancelled by Purchaser except with the written permission of Supplier and upon terms that will indemnify Supplier against all Loss.

4.2 Purchaser should inspect the Products forthwith upon delivery and must give notice to Supplier in accordance with paragraph 5 if Purchaser alleges that the Products are not in accordance with these conditions. If Purchaser fails to give such notice, Products shall be deemed to have been accepted by Purchaser. Claims for non-delivery must be made in writing within fourteen (14) days after date of delivery.

4.3 Claims to return Products and obtain credit are subject to approval by an authorized representative of Supplier. Except for special ordered or manufactured Products, Supplier may allow Purchaser a credit for the purchase price of the Products accepted for return subject to a deduction of a handling and restocking charge of no less than 20% of the invoiced value of the returned Products and any freight charges paid by Supplier for the original shipment of those Products. Products that are returned more than 30 days from the date of shipment will only be accepted by Supplier at Supplier's absolute discretion. All Products must be returned in their original condition and in their original packing.

5 Limited Warranty

5.1 Supplier warrants (“**this Limited Warranty**”) that:

- (a) Products manufactured by Supplier shall be free from defects in material and workmanship for the period of one (1) year from the date of delivery;
- (b) Products manufactured by a Manufacturer other than Supplier will be free of defects in material and workmanship for a period stated in Manufacturer's printed warranty accompanying those Products.

5.2 If any Product or part thereof does not comply with this Limited Warranty, Supplier and/or the Manufacturer will, at their election, repair or replace that Product, or pay the cost of replacing that Product or acquiring an equivalent Product.

5.3 Any claim under this Limited Warranty must be made in writing within the sooner of (i) the relevant warranty period stated in paragraph 5.1 above; and (ii) thirty (30) days after discovery of the defect giving rise to the claim. No claims will be allowed until Manufacturer, Supplier or their duly authorized representative has inspected the Products subject to the claim. These Products must be returned freight pre-paid to such place as Manufacturer, Supplier or their representative may reasonably specify for inspection. Purchaser must ship the Products back in their original packaging, and insure the shipment or accept the risk of loss or damage during shipment.

5.4 This Limited Warranty shall not apply to any Product or part thereof which has been repaired, altered or modified in any way whatsoever by any person other than the Manufacturer, Supplier or their authorized service representatives; or any defect resulting from (i) installation, use or maintenance of Products other than in accordance with instructions; (ii) failure to perform preventative maintenance; or (iii) accident, abuse or misuse.

5.5 SUPPLIER AND MANUFACTURER MAKE NO WARRANTIES, EITHER EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OTHER THAN THOSE SET FORTH ABOVE.

6 Liability and Indemnity

6.1 SUPPLIER HAS LIMITED LIABILITY UNDER THIS LIMITED WARRANTY AND, WHETHER AS A RESULT OF A BREACH OF THIS LIMITED WARRANTY, OR FROM BREACH OF WARRANTY, NEGLIGENCE OR STRICT LIABILITY OR OTHERWISE, SUPPLIER'S LIABILITY SHALL NEVER EXCEED THE STATED PURCHASE PRICE. IN NO EVENT SHALL SUPPLIER BE LIABLE FOR ANY INCIDENTAL, EXEMPLARY, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING ANY CLAIMS OF LOST REVENUES OR PROFITS.

6.2 The liability of Supplier shall, at the election of Supplier, be limited to (a) replacement with the same or equivalent Product; (b) payment of the cost of having the Products repaired; (c) repair of the Products; or (d) refund of the cost of the Products.

6.3 Subject to clause 5.2, neither Supplier nor Manufacturer shall have any liability to any person for any Loss suffered or incurred by any person in relation to the Products. Supplier and Manufacturer exclude any and all other liability for loss suffered by Purchaser and any such person claiming Loss arising out of the supply of the Products to Supplier including, without limitation, any Loss caused by or resulting directly or indirectly from any failure, breakdown, defect or deficiency of whatsoever nature or kind in any Products or any loss or damage caused by the negligence of the Manufacturer, Supplier, their respective officers, agents, employees and sub-contractors.

6.4 Purchaser shall indemnify and hold Supplier harmless against all Loss suffered or incurred by Supplier or any person claiming Loss arising out of the supply of the Products to Supplier or any subsequent use of the Products arising out of or in any manner connected with the use of the Products caused by the negligent or willful act or omission of Purchaser or its employees, agents or contracts or failure to use the Products in accordance with Supplier's or Manufacturer's instructions or common or accepted industry practice.

6.5 Purchaser shall, at Purchaser's own expense, defend any and all actions referred to in paragraph 6.4 above and shall pay all legal costs and other costs and expenses arising therefrom.

7 Purchaser's Safety Obligations

7.1 Purchaser acknowledges that:

- (a) Supplier does not give advice or assistance in relation to specification of the Products for particular industrial or other working conditions; and
- (b) the Products will not operate to specification unless cleaned and maintained in accordance with the accompanying instructions, replaceable parts (such as filters) are replaced in accordance with specification, and persons using the Products must read all accompanying instructions and be trained as to proper fitting, use and care of the Products.

7.2 Purchaser is solely responsible for the selection of appropriate Products for particular industrial or other working conditions and appropriate training of persons in fitting and use of the Products. Purchaser agrees that prior to the use of any Product by any person that Purchaser shall:

- (a) do all that is necessary to ensure that the person is properly trained as to fitting and use of the Products and that the Products are used only in accordance with Supplier's specifications;
- (b) inspect the Products and make its own assessment of their suitability having regard to Purchaser's intended use for these Products; and
- (c) comply with any requirements of any governmental or other regulatory authority concerning selection, fitting and use of the Products.

7.3 Purchaser shall, upon Supplier's request, provide to Supplier documentation detailing the steps taken by Purchaser in compliance with paragraph 7.2(a), (b) and (c).

7.4 Purchaser shall indemnify and hold Supplier harmless against any claim or Loss arising out of Purchaser's failure to comply with paragraph 7.3.

8 Force Majeure

Supplier shall not be liable for any delay in or impairment of the performance of its obligations under these Terms and Conditions or any Invoice resulting in whole or in part from an Act of God, labor disruptions, shortages, inability to produce product, supplies or raw materials, severe weather conditions, or any other circumstances or cause beyond the control of Supplier in the conduct of its business.

9 General

9.1 These Terms and Conditions are the entire understanding of the parties to the exclusion of any and all prior agreements or understanding either oral or written, provided that if the Products are supplied pursuant to a written distribution or reseller or other agreement between Supplier and Purchaser the terms herein will prevail over the terms of any other such agreement to the extent of any inconsistency. No subsequent agreement or understanding in any way altering these terms and conditions shall be binding upon the parties unless expressly agreed to in writing by both parties.

9.2 The parties agree that time is of the essence with respect to this Agreement; consequently, any disagreements should be resolved promptly and at the lowest level possible. In the event of an unresolved question, claim, or dispute under this Agreement, such question, claim or dispute shall be settled by arbitration

to be held in California before a single arbitrator appointed in accordance with the Commercial Arbitration Rules and Mediation Procedures of the American Arbitration Association. The decision of the arbitrator shall be final and binding upon both parties as to law and fact and may be filed for execution with any court of competent jurisdiction. With respect to any dispute where the requested relief is injunctive or declaratory, either party reserves the right to initiate action in State or Federal Court in California if such party determines, in its own discretion, that an arbitral forum does not have the requisite authority to issue the requested injunctive or declaratory relief. Each party irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of California in relation to such disputes. The parties shall share equally in the cost of the arbitrator; however, each party shall be responsible for its own filing fees and expenses, including, but not limited to, attorney costs, witness costs, and travel expenses.

9.3 If any of these terms and conditions, not being of a fundamental nature, is held to be illegal or unenforceable, the validity and enforceability of the remainder of these terms and conditions shall not be affected, and shall continue in full force and effect as valid and binding.

9.4 No waiver or consent made or given by Supplier in relation to any breach or failure in Purchaser's performance shall be construed as a variation of these conditions or as a waiver of Supplier's rights in the event that such breach or failure continues or recurs.