

Terms and Conditions of Sale

1 – PQ2 SOLUTIONS INC. agrees to sell PQ2™ systems in accordance with the following terms and conditions of sale, which supersede any additional, or contemporaneous agreements or correspondence or inconsistent terms and conditions of purchase by Customer. Any alterations of PQ2 SOLUTIONS INC.'s “**Terms and Conditions of Sale**”, as outlined herein, shall have no force or effect unless otherwise agreed to in writing by PQ2 SOLUTIONS INC.. Terms and conditions of sale as set forth herein, or as changed or modified by written agreement, shall not constitute a waiver of such rights or any other rights under these same conditions of sale.

2 – Quotations – PQ2 SOLUTIONS INC.'s Project Cost/selling price quoted to Customer will expire ninety days from the date quoted, in writing by PQ2 SOLUTIONS INC. to Customer, unless otherwise stated in the quotation or unless extended in writing by PQ2 SOLUTIONS INC.. All prices are subject to the Link Analysis data and information received and accepted by PQ2 SOLUTIONS INC., otherwise are subject to change by PQ2 SOLUTIONS INC. without notice. All prices are FOB point of shipment.

3 – Payment – All prices are in CANADIAN dollars. Unless specifically modified and agreed to elsewhere, 35% of the PQ2 SOLUTIONS INC.'s Project Cost/selling price will be due from Customer prior to start of the project and the remaining balance will be due without setoff within thirty days from date of the system's shipment. Subject to establishment of satisfactory credit, terms are strictly net cash. A late payment charge of 1% per month will be assessed to Customer on any balance due past thirty days. PQ2 SOLUTIONS INC. shall have the right to require final payment in advance at any time, if, in its opinion, the financial condition of Customer does not justify the terms of payment specified.

4 – Taxes – The “Project Cost”/selling price does not include any federal, state, or local property, license, privilege, sales, use, excise, gross receipts, value added, or other like taxes which may now or hereafter be applicable to, measured by, or imposed upon, or with respect to the transaction, the property, its sale, its value, or its use or any services performed in connection therewith. Such taxes are for the account of Customer, and Customer agrees to pay or reimburse any such taxes which PQ2 SOLUTIONS INC. or its contractors or suppliers are required to pay.

5 – Shipping Date – Shipping and/or completion dates are approximate and are based on prompt submission of all necessary information and approvals from Customer, as well as receipt of parts and components and/or finished products from PQ2 SOLUTIONS INC.'s suppliers or subcontractors, which may prevent or interfere with PQ2 SOLUTIONS INC. making delivery on the date specified. PQ2 SOLUTIONS INC. declines any responsibilities regarding delay of the system(s) delivery date to Customer or the third party recipient assigned by the Customer, caused by the system(s) manufacturer(s)/assembler(s) or component supplier(s). PQ2 SOLUTIONS INC. reserves the right to make delivery in installment.

6 – Force Majeure – PQ2 SOLUTIONS INC. shall not be liable for failure to perform or for delay in performance due to fire, flood, strike, or other labor difficulty, act of God, act of any governmental authority or of the Customer, riot, embargo, fuel or energy shortage, car shortage, wrecks, or delay in transportation, inability to obtain necessary labor, materials, or manufacturing facilities from usual sources, or due to any cause beyond its reasonable control.

7 – Shipping and Packing – All material is carefully packed for shipment and PQ2 SOLUTIONS INC. will not be responsible for loss, delay, or breakage after having received in good order receipts from the delivering carrier. All claims for breakage, loss, delay, and damage should be made to the delivering carrier, but PQ2 SOLUTIONS INC. will render Customer all possible assistance in securing satisfactory adjustment of such claims. In the absence of directions, goods will be shipped by the method and via the carrier PQ2 SOLUTIONS INC. believes dependable.

8 – Title-Risk of Loss – The products sold hereunder shall remain the property of PQ2 SOLUTIONS INC. and shall remain personal property until fully paid for. Notwithstanding any agreement with respect to delivery terms, risk of loss or damage shall pass to Customer and delivery shall be deemed to be complete upon delivery to a private or common carrier, at the point of shipment.

9 – Cancellation –Orders are not subject to cancellation or change in specification, shipping schedules or other conditions originally agreed upon.

10 – Warranty – PQ2 SOLUTIONS INC. provides full manufacturer’s warranty on equipment, systems, and parts (excluding fuses), if properly installed, protected, and operated under specified equipment ratings and voltage, and under normal and proper use and service as designed, for a period of one year from date of shipment. Should any failure to conform with this warranty appear within such time, PQ2 SOLUTIONS INC. shall correct such nonconformity, at its option (excluding labor), either by repair or replacement of the product(s)/part(s), FOB repair facility. Return of the product(s)/part(s) to PQ2 SOLUTIONS INC., subject to PQ2 SOLUTIONS INC.’s written approval, pursuant to this paragraph shall be at Customer’s risk and expense. PQ2 SOLUTIONS INC. is not responsible for damage to its products through improper installation, maintenance, use or attempts to operate it above its rated capacity or voltage, intentionally or otherwise. Any operation specification of products and systems prior to the startup, or any improper or unauthorized adjustment of the same, shall terminate this warranty and shall relieve PQ2 SOLUTIONS INC. from any further responsibility thereunder. PQ2 SOLUTIONS INC. shall not be liable for special or consequential damages in any claim, action, suit, or proceeding arising under this warranty or the Contract of Sale, nor shall there be any liability thereunder for claims for labor, loss of profits or goodwill, repairs or other expenses incidental to replacement. No other representation, or warranties, express or implied are made by PQ2 SOLUTIONS INC. and the foregoing warranty is in lieu of all other representations and warranties expressed or implied.

11 – Changes, Deletions, and Extra Work – Customer, without invalidating the contract of the Agreement, may make changes by altering, adding to or deducting from the general scope of the work prior to start of the systems’ assembly, the PQ2 SOLUTIONS INC. “Project Cost”/selling price being adjusted accordingly. All such work shall be executed under the conditions of these terms and conditions of sale, except that any claim for extension of time caused thereby shall be adjusted at the time of ordering such change. The value of any such extra work or change shall be determined in one or more of the following ways:

- A) By estimate and acceptance of lump sum.
- B) By unit prices named in the quotations, subsequently agreed upon.
- C) By cost and negotiated percentage of cost or fixed fee.

12 – Limitation of Liability – PQ2 SOLUTIONS INC.’s liability claim of any kind whether based on these terms and conditions of sale, contract, warranty, tort (including negligence) or otherwise, for any loss or damage arising out of, connected with, or resulting from these terms and conditions of sale, or from the performance or breach thereof, or from all services covered by or furnished under these terms and conditions of sale, shall in no case exceed the PQ2 SOLUTIONS INC. “Project Cost”/selling price. In no event whether on contract, warranty, or tort (including negligence) or otherwise, shall PQ2 SOLUTIONS INC. or its supplier be liable for special, incidental, exemplary or consequential damages including, but not limited to, loss of profits or revenue, loss of use of the equipment or any associated equipment, cost of capital, cost of purchased power, cost of substitute equipment, facilities, or services, downtime cost, or claims of customers of Customer for such damage. If Customer is furnishing PQ2 SOLUTIONS INC.’s products, services or systems to a third party by contract, Customer shall obtain from such third party a provision affording PQ2 SOLUTIONS INC. and its suppliers the protection of the preceding sentence(s). In no event shall PQ2 SOLUTIONS INC. be liable for any loss or damage whatsoever arising from its failure to discover or repair latent defects inherent in the design of the equipment caused by Customer's incomplete or inaccurate data, or units or parts returned to use at the request of Customer against the advice of PQ2 SOLUTIONS INC.. PQ2 SOLUTIONS INC. neither assumes nor authorizes anyone to assume for it any other or further liability than set out above. The invalidity, in whole or part, of any paragraphs will not affect the remainder of such paragraph or any other paragraphs of this article.

13 – General – PQ2 SOLUTIONS INC. proposes to deliver system(s), specifications and instructions in accordance with these terms and conditions of sale, approximately twelve (12) to eighteen (18)

weeks after receipt of the order and the initial payment from Customer. PQ2 SOLUTIONS INC. "Project Cost"/selling price, system specifications, and system performance proposed to the Customer by PQ2 SOLUTIONS INC. is based on PQ2 SOLUTIONS INC.'s Link Analysis, data, information, measurements taken, operating conditions, and limitations received from Customer. Any variations of such data and information provided to PQ2 SOLUTIONS INC. by Customer after the acceptance date of the order by PQ2 SOLUTIONS INC. will distort PQ2 SOLUTIONS INC.'s analysis of the system(s) or the facility's existing condition, therefore will automatically cancel any verbal or written performance guarantee of the employees, contractors, subcontractors, or agents of Customer of workmanship of the employees, contractors, subcontractors, or agents of Customer of any or all of its duties or rights hereunder without PQ2 SOLUTIONS INC.'s prior written consent shall be void.

14 - Complete Agreement – The above terms and conditions of sale contained herein constitute the complete sales agreement between the parties, and no modification, amendment, rescission, waiver, or other changes will be binding on PQ2 SOLUTIONS INC. unless assented to in writing by PQ2 SOLUTIONS INC.'s authorized representative. Any oral or written representation, warranty, course of dealing or trade usage not contained herein will not be binding on PQ2 SOLUTIONS INC..

15 – PQ2 SOLUTIONS INC. may terminate this Agreement in the event Customer violates or breaches any term hereof. Notice of said breach shall be provided to Customer in writing with a statement of the provisions which are breached. The Customer shall have 30 days to correct any such breach as advised. Additionally, PQ2 SOLUTIONS INC. may terminate the Agreement in the event of insolvency or bankruptcy of Customer.

