

Thermo Dynamics Ltd.

TERMS AND CONDITIONS OF SALE

The following are the terms and conditions ("Terms and Conditions") for the sale of products ("Products") by Thermo Dynamics Ltd. ("TDL") to TDL's customers ("Customers").

1. ACCEPTANCE AND CANCELLATION OF ORDERS

All orders are subject to acceptance by TDL. Any written acknowledgement of receipt of an order shall not, in and of itself, constitute such acceptance. Orders accepted by TDL may be cancelled by Customer upon written consent of TDL provided such order is not "Non-Cancelable/Non-Returnable" or governed by a purchase agreement.

Orders for non-standard products are non-cancelable and non-refundable. Non-Standard Products are products that are special orders, custom orders, products not customarily in stock or orders for value-added products. In the event of cancellation or withdrawal of an order for any reason, and without limiting any other remedy which TDL may have as a result of such cancellation or withdrawal, reasonable cancellation and/or restocking charges shall include all expenses incurred and commitments made by TDL, and shall be paid by Customer to TDL. Customer requests to reschedule are subject to acceptance by TDL at its sole discretion. Orders may not be canceled or rescheduled after the order has been delivered by TDL to the shipment carrier.

TDL reserves the right to allocate sales and limit quantities of selected products among its customers in its sole discretion. Product specifications and availability are subject to change without prior notice.

Returns are normally accepted when the goods are returned within 30 days of the ship date. All returns require prior approval and may be subject to a 15% restocking charge. In the case of defective or damaged product, Customer must notify TDL within 90 days from date of shipment, and in these cases there will be no restocking charge. If TDL agrees to accept a return, return freight charges must be prepaid by customer. TDL will not accept COD shipments. Contact a TDL representative for a Return Materials Authorization (RMA) number and shipping instructions prior to returning product. The foregoing statements concerning returns do not apply to non-cancelable/non-returnable products.

Only products originally shipped from TDL will be returned to TDL. All others will be disposed of or returned to the customer. By a Customer returning products to TDL, the Customer certifies that the products were purchased from TDL and there has been no substitution in whole or part of same product from another supplier, distributor or other such source of the product. The return should be in the original packaging, in unused condition (except defective).

2. PRICES

Orders are billed at the prices in effect at the time of the placing of the sales order. Prices are as specified by TDL and are applicable for the period specified in TDL's quote. If no period is specified, quoted prices will be applicable for thirty (30) days. The current price list reflects the pricing information available at the time of printing. Prices are subject to change without notice. Prices are subject to an increase in the event of an increase in TDL's costs or other circumstances beyond TDL's reasonable control. If Customer does not purchase the quantity upon which quantity prices are based, Customer will pay the non-discounted price for the quantity actually purchased and/or a cancellation or restocking fee. Prices are exclusive of taxes, impositions and other charges, including sales, use, excise, value-added and similar taxes or charges imposed by any government authority, international shipping charges, forwarding agent's and broker's fees, bank fees, consular fees, and document fees.

3. TERMS OF PAYMENT

All payments must be made in Canadian currency. MasterCard and VISA credit cards are accepted for purchases under \$4,000 CAD, taxes included. Credit card billing information must be verified for new customers prior to shipment of order. Payment terms of net thirty (30) days are available to businesses and agencies with three references or as otherwise specified by TDL.

Customers can wire payment to TDL's bank. After your order is placed TDL will e-mail a Proforma invoice that includes our bank information, the merchandise total, shipping charges and a \$25 (CAD) wire transfer/ EFT fee. Orders will be cancelled after 20 business days if funds have not been received. Customer is responsible for duties and taxes, unless otherwise specified.

Customer agrees to pay the net amount of each invoice from TDL pursuant to the terms of each such invoice, without offset or deduction. Orders are subject to credit approval by TDL, which may in its sole discretion at any time change the terms of Customer's credit, require payment in cash, bank wire transfer/EFT or by bank check, and/or require payment of any or all amounts due or to become due for Customer's order before shipment of any or all of the Products. If TDL reasonably believes that the Customer's ability to make payments may be impaired or if Customer fails to pay any invoice when due, TDL may suspend delivery of any order or any remaining balance thereof, until such payment is made or cancel any order or any remaining balance thereof. Customer will remain liable to pay for any Products already shipped and all Non-Standard Products ordered by Customer. Customer agrees to submit such financial information as TDL may reasonably require for determination of credit terms and/or continuation of credit terms. Checks are accepted subject to collection and the date of collection will be

deemed the date of payment. Any check received from Customer may be applied by TDL against any obligation owing by Customer to TDL under this or any other contract, regardless of any statement appearing on or referring to such check, without discharging Customer's liability for any additional amounts owing by Customer to TDL. The acceptance by TDL of such check will not constitute a waiver of TDL's right to pursue the collection of any remaining balance.

Invoices not paid when due will bear interest to date of payment at the monthly rate of two percent (2%). If Customer fails to make payment when due, TDL may pursue any legal or equitable remedies, in which event TDL will be entitled to reimbursement of costs for collection and reasonable attorneys' fees. There is a \$25 (CAD) service charge on all returned checks.

4. SALES TAX

Shipments within Canada: As required by law, TDL will collect federal, provincial and/or local sale, excise, and other taxes that apply to a Customer's shipment. These taxes are in addition to the purchase price of the products. Customer will remit the required taxes unless Customer is tax exempt and TDL has a valid signed tax exemption certificate on file.

International shipments: All applicable VAT, PST, HST, and/or GST charges and with fees are the responsibility of the Customer and due at the time of delivery, unless otherwise specified by TDL.

5. DELIVERY

All shipments by TDL are FOB TDL's facility. For freight prepaid orders, all freight charges will be paid to TDL by the Customer in addition to the purchase price of the Products. TDL will make reasonable efforts to initiate shipment and schedule delivery as close as possible to Customer's requested delivery date(s). Customer acknowledges that delivery dates provided by TDL are estimates only and that TDL will not be liable for failure to deliver on such dates. Selection of the carrier and delivery route will be made by TDL unless specifically designated by Customer. TDL reserves the right to make deliveries in installments. Delay in delivery of one installment will not entitle Customer to cancel any other installment(s). Delivery of any installment of Products within thirty (30) days after the date requested will constitute a timely delivery. Delivery of a quantity that varies from the quantity specified shall not relieve Customer of the obligation to accept delivery and pay for the Products delivered.

6. TITLE

Prepaid orders: Subject to TDL's right of stoppage in transit, delivery to the carrier of Products

constitutes delivery to Customer and title and risk of loss will pass to Customer.

Orders shipped net 30 days: Title passes to Customer upon receipt of full payment of the invoice amount.

7. TDL'S LIMITED WARRANTY

TDL's liability arising out of any sale of products to Customer is expressly limited to either (1) refund of the purchase price paid by Customer for such Products (without interest), or (2) repair and/or replacement of such Products, at TDL's election, with such remedies exclusive and in lieu of all others. Customer must notify TDL within 90 days from date of shipment of any defective product. This warranty is in lieu of any and all other warranties, whether oral, written, expressed, implied or statutory. Implied warranties of fitness for a particular purpose and merchantability are specifically excluded and shall not apply. Customer's obligations and TDL's remedies with respect to defective or nonconforming products, are solely and exclusively as stated herein. Furthermore, no warranty will apply if the Product has been subject to misuse, static discharge, neglect, accident, modification, or has been soldered or altered in any way.

8. LIMITATION OF LIABILITIES

IN NO EVENT SHALL TDL BE LIABLE FOR ANY SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE including, but not limited to, damages resulting from loss of profit or revenue, recall costs, claims for service interruptions or failure to supply downtime, testing, installation or removal costs, costs of substitute products, property damage, personal injury, death or legal expenses. Customer's recovery from TDL for any claim shall not exceed the purchase price paid by Customer for the goods, irrespective of the nature of the claim, whether in warrant, contract or otherwise. **CUSTOMER SHALL INDEMNIFY, DEFEND AND HOLD TDL HARMLESS FROM ANY CLAIMS BROUGHT BY ANY PARTY REGARDING PRODUCTS SUPPLIED BY TDL AND INCORPORATED INTO THE CUSTOMER'S PRODUCT.**

9. STATEMENTS AND ADVICE

If statements or advice, technical or otherwise, are offered or given to Customer, such statements or advice will be deemed to be given as an accommodation to Customer and without charge. TDL shall have no responsibility or liability for the content or use of such statements or advice. TDL Technical support is provided by telephone or email and, therefore, extremely limited in scope, which prevents TDL from the direct participation in the application of any customer products.

10. NON-CANCELABLE/NON-RETURNABLE PRODUCTS

From time to time, Seller will notify Buyer of a product that is "NC/NR", (Non-Cancelable/Non-Returnable) upon determining that an order requires such conditions of sale. Buyer understands that "NC/NR" products are produced by TDL specifically for the buyer. Irrespective of circumstances, the buyer agrees that "NC/NR" products may not be cancelled, returned or rescheduled by the buyer without the agreement of both TDL's supplier and the written consent of TDL Electronics.

11. FORCE MAJEURE

TDL will not be liable for delays in delivery or for failure to perform its obligations due to causes beyond its reasonable control including, but not limited to, product allocations, material shortages, labor disputes, transportation delays, unforeseen circumstances, acts of God, acts or omissions of other parties, acts or omissions of civil or military authorities, Government priorities, fires, strikes, floods, severe weather conditions, computer interruptions, terrorism, epidemics, quarantine restrictions, riots or war. TDL's time for delivery or performance will be extended by the period of such delay or TDL may, at its option, cancel any order or remaining part thereof, without liability by giving notice to Customer.

12. Export Classification Disclaimer Any use made of TDL classifications, whether it be ECCNs or any variation of Harmonized Tariff codes, is without recourse to TDL and at the user's risk. Export classifications are subject to change. If you export or re-export, your company, as the exporter of record, is responsible for determining the correct classification of any item at the time of export. Any export classification by TDL is for TDL's internal use only and shall not be construed as a representation or warranty regarding the proper export classification nor relied upon to make licensing determinations.

13. GENERAL

The Terms and Conditions may not be modified or cancelled without TDL's written agreement. Accordingly, goods furnished and services rendered by TDL are sold only on the terms and conditions stated herein. The sale of Products hereunder will be governed by the Terms and Conditions, notwithstanding contrary or additional terms and conditions in any order purchase order, planning schedule, acknowledgment, confirmation or any other form or document issued by either party affecting the purchase and/or sale of Products. Notwithstanding any terms and conditions on Customer's order, the information and conditions on the Credit Application are controlling over Customer and TDL. Any conflicting statements or terms listed on the Customer purchase orders, invoices, confirmations or other Customer generated documents ("Customer Documents"), whether heretofore or hereafter submitted, are negated by submission of the Credit Application and the issuance of credit by TDL, and all different or additional terms and conditions contained in any Customer Documents are hereby objected to by TDL. TDL's

performance of any contract is expressly made conditional on Customer's agreement to TDL's Terms and Conditions of Sale, unless otherwise specifically agreed upon in writing by TDL. In the absence of such agreement, commencement of performance and/or delivery shall be for Customer's convenience only and shall not be deemed or construed to be acceptance of Customer's terms and conditions or any of them. If a contract is not earlier formed by mutual agreement in writing, acceptance by Customer of any goods or services shall be deemed acceptance by Customer of the terms and conditions stated herein. No rights, duties, agreements or obligations hereunder, may be assigned or transferred by operation of law, merger or otherwise, without the prior written consent of TDL. The obligations, rights, terms and conditions hereof will be binding on the parties hereto and their respective successors and assigns. The waiver or breach of any term, condition or covenant hereof, or default under any provision hereof, will not be deemed to constitute a waiver of any other term, condition, or covenant contained herein, or of any subsequent breach or default of any kind or nature. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction, or affecting the validity or enforceability of such provision in any other jurisdiction. The Terms and Conditions will be governed by and construed in accordance with the laws of the province of Nova Scotia and the applicable laws of Canada.