

TERMS OF SALE

The terms and conditions expressed hereunder:

1. form part of all quotations issued by ARPAC STORAGE SYSTEMS CORPORATION("Arpac") offering goods and/or services to potential purchasers;
2. apply to all sales made by Arpac to purchaser(s) ("Purchaser").

Unless accepted by Purchaser, quotations expire as noted on the first page of quotation.

- Terms:** The net amount of the invoice is due and payable 15 days from date of invoice. Statements of account will not be issued except upon request.
- Currency:** Invoices, unless otherwise stated, are payable in Canadian Dollars. Transactions involving the sale of goods imported into Canada by Arpac may include provision for an adjustment to the selling price based upon the difference, if any, in the rate of exchange applicable at the time of delivery versus that stated in our quotation offering such goods for sale. In such cases the rate of exchange included in our quotation will be the benchmark used as the basis for comparison and any variation from the benchmark rate will either increase or decrease the invoiced price of the goods, as the case may be.
- Credit:** Arpac's acceptance of an order does not constitute an automatic extension of credit to the Purchaser. Arpac's extension of credit is conditional upon: (1) Purchaser submitting a completed Customer Information Profile; and (2) Arpac's receiving a satisfactory report from the credit investigation performed as authorized by Purchaser. If, in Arpac's opinion, the extension of credit is not warranted, it may request full or partial payment in advance. Notwithstanding any other terms of payment, Arpac shall have a security interest in goods until they are paid for in full.
- Taxes:** GST, PST, and other taxes or governmental imposed levies of any kind, when applicable, will be charged at the rate in effect on the day of shipment.
- Specifications:** Unless and until Arpac accepts an order in writing, specifications are subject to change without notice. Thereafter Arpac reserves the right to make changes in design, specifications, or materials that in Arpac's opinion are an improvement or deemed necessary because of delivery schedules, regulations established by governmental authority, or lack of material availability from suppliers.
- Colour:** Arpac shall supply all material in the standard colour or finish of the applicable manufacturer at the date of shipment. Special colours may be offered at extra cost.
- Technical Information:** Any sketches, models, samples, drawings, designs, technical data, or engineering calculations submitted by Arpac shall remain the exclusive property of Arpac, and shall be treated as confidential information unless the Purchaser has received written permission to the contrary. Such material may not be reproduced, put to other use, loaned or given to a third party by Purchaser without the express written permission of Arpac. Arpac shall not be liable for claims of any nature arising from permitted use of such material by Purchaser.
- Permits:** Costs for engineering, permits, testing, and/or licences required by any governmental authority, that are required as a consequence of the installation or use of products supplied by Arpac, are payable by the Purchaser.
- Packaging:** Whenever possible goods are shipped unassembled. Packaging is for domestic transfer only. Special packaging, loading of containers and other handling requirements not contemplated in our quotation may result in additional charges.
- Freight:** Unless otherwise stated, goods are shipped freight collect: (1) ex factory, Delta, BC for goods manufactured by Arpac; (2) ex point of manufacture for goods purchased by Arpac for resale; or (3) ex branch where inventory is warehoused pending sale if sold from Arpac inventory. Choice of carrier, method and route of shipment will be at Arpac's discretion unless Purchaser shall specify otherwise, in which case any additional expense incurred as a result of the Purchaser's specification, shall be borne by Purchaser.
- Claims:** Shortages must be reported, in writing, immediately upon discovery, but in no event later than five (5) business days after receipt of shipment. Materials are consigned to carriers in good condition; claims for damage must be noted on carriers' Bill of Lading. Claims for damage or shortage must be made with the carrier by the consignee. Unless it can be conclusively determined that Arpac has made a shipping error, Arpac's liability is limited to providing assistance to Purchaser in securing an equitable adjustment from the carrier.
- Arpac's products are delivered according to a production schedule which cannot be established until Arpac is in receipt of complete specifications required to initiate manufacture or provide suitable instruction to its suppliers, as the case may be.
- Delivery:** Thereafter adherence to delivery schedules is contingent upon timely receipt of materials and other factors beyond Arpac's control. Therefore, Arpac shall not be liable for claims of any nature arising from late delivery, nor does late delivery constitute grounds for cancellation of an order. Arpac reserves the right to make delivery in instalments, and all such instalments, when separately invoiced, shall be paid for when due per invoice. Goods offered for sale from inventory are subject to prior sale.
- Delays:** Shipments delayed more than ten (10) business days after Purchaser has been notified that they are ready for shipping, will be invoiced as if shipped and the usual terms of payment thereafter will apply. Arpac may then store such products at Purchaser's risk and the Purchaser shall pay handling, transportation, or storage charges at the prevailing commercial rates upon submission of invoices therefore.
- Cancellation:** Orders placed by Purchaser with Arpac for manufactured goods, and/or materials or labour which Arpac must purchase from its suppliers, may not be cancelled without written authorization by management of Arpac. Cancellation will result in an order liquidation charge that is sufficient, in Arpac's sole judgement, to cover losses incurred in accepting such cancellation.
- Returns:** Goods manufactured or custom ordered from another manufacturer specifically to Purchaser order are not returnable. Goods sold from inventory will not be accepted for credit without prior written authorization of the management of Arpac. Authorized returns must be freight prepaid to the original shipping point, unused and undamaged, and will be subject to a restocking charge expressed as a percent of the net invoice price of the material, which is sufficient to compensate Arpac for the transaction and refurbishing costs incurred in accepting such return.
- Over-Shipment:** Arpac may on occasion, by accident or for convenience during product installation, ship extra material to a Purchaser site. This material, unless paid for by Purchaser, remains the property of Arpac and will be returned to Arpac's plant at the completion of the work.

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- Warranty:** Arpac shall have no obligation or liability for loss, damage, penalties, or expense of any kind caused directly or indirectly by the use, loss of use, maintenance, repairs, or adjustments of Arpac's products by Purchaser except as may be given in Arpac's published warranty, if any. Warranty applicable to products sold but not manufactured by Arpac will be limited to the warranty, if any, offered by the manufacturer of such products.
- Amendments:** The terms expressed herein may not be altered except as evidenced in writing by the management of Arpac.
- Separability:** If any of the provisions of these Terms of Sale as expressed herein shall be deemed illegal or unenforceable, such illegality or unenforceability shall not affect the validity and enforceability of any of the legal and enforceable provisions hereof which shall be construed as if such illegal and unenforceable provision or provisions did not exist.
- Disputes:** Actions by Arpac for non-payment by Purchaser of the undisputed price of goods and/or services sold by Arpac, or for other undisputed breaches by Purchaser of these Terms of Sale may be brought by Arpac before any judicial court of competent jurisdiction without need for prior arbitration. All disputes concerning the sales of goods and/or services by Arpac to Purchaser shall be settled as follows:
- (a) if the Purchaser is located or the goods and/or services are provided in British Columbia:
 - (i) all disputes shall be settled under the Rules of the Commercial Arbitration Act of British Columbia by one or more arbitrators appointed in accordance with said rules;
 - (ii) the decision of the arbitrator(s) shall be final and binding on the parties; and
 - (iii) any interpretation by an arbitrator of these Terms and Conditions will be consistent with the laws of British Columbia;
 - (b) if the Purchaser is located or the goods and/or services are provided in Alberta:
 - (i) all disputes shall be settled pursuant to the Arbitration Act of Alberta (and any rules of arbitration applicable to said statute) by one or more arbitrators appointed in accordance with the Arbitration Act of Alberta;
 - (ii) the decision of the arbitrator(s) shall be final and binding on the parties; and
 - (iii) any interpretation by an arbitrator of these Terms and Conditions will be consistent with the laws of Alberta.
- For greater certainty, either party may refer a dispute concerning the sales of goods and/or services under these Terms and Conditions for arbitration by notifying the other party in writing of the nature of the dispute and its intention to refer said dispute to arbitration.