



Conditions of Sale

1. **AGREEMENT.** These conditions of sale form part of a proposal by the Frontier Power Products Ltd. (hereafter the Company) to sell its product or services, and shall constitute the entire agreement between the parties. There are no other agreements or understandings, either written or oral to conflict with or alter this agreement unless specifically agreed to in writing by the Company. The purchaser agrees that any terms and/or conditions received by the Company from the purchaser subsequent to the Company's proposal will be considered general information only, and will be subordinate to the terms and conditions contained herein, unless specific written exception is given by the Company. Acceptance of the purchaser's order is subject to approval of the purchaser's credit by the Company. Notwithstanding such acceptance and/or approval if in the Company's sole judgement the purchaser's financial condition does not at any time warrant the continuation of production or shipment on the original terms, the Company reserves the right to require payment in advance.
2. **TITLE.** Notwithstanding the provision of the Sale of Goods Act in BC or comparable legislation in other jurisdictions title to the goods sold shall remain with the Company until payment for the goods has been made in full. The product is considered personal property and the Company reserves the right to register it as such. If default is made in any payments due to the Company for the sale of the goods the Company shall be entitled to the immediate possession of the goods and shall be free to enter the premises where the product may be located and remove it as the Company's property, or disable it from functioning, without prejudice to the Company's right to recover any further expenses or damages the Company may incur by reason of such nonpayment. Any partial payments that may have been made may be retained by the Company as liquidated damages. Notwithstanding the above, risk will pass to the purchaser at the point of delivery.
3. **WARRANTY.** Where the product sold by the Company is not manufactured by the Company, the warranty terms of the manufacturer will prevail. The Company will provide all reasonable assistance necessary to obtain compliance by the manufacturer of the terms of its warranty. Where the product sold by the Company is manufactured by the Company or the Company adds manufactured goods to a product it does not manufacture, the Company warrants the product supplied to be of the kind designated or specified by the purchaser. Unless expressly agreed in writing, the Company shall repair or replace and defective part or parts, ex-works the Company's plant or warehouse, which prove to be defective under normal and proper use within one year from the date of shipment, provided the purchaser gives the Company written notice of such defect. Where the Company provides service or repair labour on customer supplied or customer owned equipment, warranty shall be effective for that labour only and shall be valid for three months from the date of that service. Upon expiration of the warranty period, the

liability of the Company shall cease. The Company does not warranty the suitability of its product for any particular application. The Company is not liable for any consequential damage or additional costs incurred by the purchaser due to non-performance or failure of the product sold or serviced. The warranty expressed herein constitutes the only warranty of the Company and no other warranty or condition, statutory or otherwise, shall be implied.

4. **DELIVERY.** Unless expressly agreed in writing, delivery of the product will be ex-works of the Company's plant or warehouse. Delivery dates specified are subject to prior sale of the manufacturing and engineering space and to the delivery of goods from the Company's vendors. The Company accepts no responsibility or liability whatsoever for deliveries not made in accordance with the delivery date specified.
5. **PUBLICATIONS, DRAWINGS, ETC.** All sales literature, technical data, drawings and other information supplied by the Company are intended for general information only, and are not guaranteed to be accurate. Only information presented as "Certified" shall be deemed to imply accuracy and only for the specific case for which it was issued. Drawings, software and other technical information supplied by the Company as part of a sale of equipment are for the purchaser's use solely in conjunction with that equipment. Any use of drawings and/or other technical information beyond this scope shall be contingent upon prior agreed compensation to the Company.
6. **RETURNED MATERIAL.** The Company's permission must be obtained before returning any material or goods, whereupon the Company will furnish shipping instructions. Any material returned without permission will be held at the purchaser's risk and is liable to non-acceptance. Only standard stock product may be returned for credit. When permission is granted for the return credit will be allowed for the invoiced price less a restocking charge (minimum 25%) and less any transportation charges. Any costs incurred putting the material into saleable condition will be deducted from the allowed credit.
7. **MATERIAL SUPPLIED BY THE PURCHASER.** Where the product sold by the Company contains material supplied by the purchaser, the purchaser agrees to accept sole responsibility for any and all loss or damage which may occur to the material while in the Company's care and accept any liability caused by failure or mis-operation of such material, including paying the Company's charges for correction or lost time.
8. **PRICES, TAXES AND PAYMENTS.** Prices do not include taxes unless specifically stated. Quotes are based on the taxes or regulations in force at the date of the sale proposal, and such quotes are subject to change in accordance with any change in taxes or regulations made prior to delivery of the product. Payments are due upon receipt of invoice unless otherwise agreed in writing. If shipment of the product is delayed for any cause for which the purchaser is directly or indirectly responsible, the date of completion of the product by the Company shall be regarded as the date of shipment in determining when payment for such product is due. The Company shall be entitled to receive reasonable compensation for storage, which shall be at the purchaser's risk. The purchaser agrees that should any of the payments not be made to the Company when due, a service charge of 2% per month on such overdue payments shall be levied by the Company and paid by the purchaser until the price including service charges has been paid in full. Paying service charges shall not be construed as obligating the Company to grant any extension of time in the terms of payment.

9. **FORCE MAJEURE.** The Company shall not be responsible or liable for any loss, damage, detention or delay caused by war, invasion, insurrection, riot, the order of any civil or military authority, or by fire, flood, weather or other acts of the elements, breakdown, lockouts, strikes or labour disputes, the failure of the Company's suppliers to meet their obligations, or without limitation of the foregoing, any other cause beyond the reasonable control of the Company.
10. **LIMITATION OF LIABILITY.** Notwithstanding any other provision in this contract or any applicable statutory provisions, neither the Company nor the purchaser shall be liable to the other for special, punitive or consequential damages, loss of use or other damages as may directly or indirectly arise from any breach of this contract, fundamental or otherwise or from any tortious acts or omissions of their respective employees or agents and in no event shall the liability of the Company exceed the unit price of the product sold.
11. **CUSTOMER'S DESIGN AND SPECIFICATIONS.** Where the product sold by the Company is manufactured to the design, specification or other criteria as defined by the purchaser, the Company shall not be held liable for special, punitive, consequential, loss of use or other damages that may directly or indirectly arise from any fault of the purchaser's criteria. The purchaser accepts full responsibility for determining the suitability of said product in the form ultimately provided by the Company, and agrees to reimburse the Company for any costs resulting from failure or unsuitability of specified equipment or software.
12. **CONTRADICTION.** In the event of a contradiction between a purchaser's order and the Company's subsequent Acknowledgement of that purchase order, the Acknowledgement shall take precedent.
13. **ARBITRATION.** Any unresolved dispute or claim arising out of or related to a transaction between the Company and a purchaser shall be settled by accordance with the UNCITRAL Arbitration Rules in effect at that time. The appointing authority shall be the British Columbia International Commercial Arbitration Centre. The place of arbitration shall be Vancouver, British Columbia, Canada. The number of arbitrators shall be one.