

GENERAL TERMS AND CONDITIONS OF SALE

Applicable to all products sold by CG Industrial Specialties Ltd.

Contracts

The following terms and conditions shall be included as part of any purchase order(s) given to C.G. Industrial Specialties Ltd. (hereinafter referred to as CGIS). Purchase orders having any language or statements which modify, make additions to, contradict, or are in any way inconsistent with the terms and conditions stated herein will only be accepted by and binding upon CGIS if, and only if, such language or terms in such purchase orders are specifically approved by officers of CGIS in writing. Orders are not considered accepted, and thus a contract, until received and acknowledged in writing by CGIS.

Change Orders or Cancellations

Orders received and accepted by CGIS may not be changed or cancelled except on terms satisfactory to CGIS and which prevent CGIS from incurring any loss. Changes or cancellations of products considered non-standard or special will not be accepted without full reimbursement of all related expenses incurred to date. All cancellations and change orders must be made in writing to and approved by CGIS subject to appropriate charges to Purchaser.

Claim Notices

Upon receipt of shipments from CGIS, the purchaser should inspect such shipment for shortages and incorrect materials. Such claims must be filed in writing and received by CGIS within ten (10) days from the time such shipment was received by purchaser. Any warranty claims for defective products must be made in writing within fourteen (14) days after the purchaser becomes aware of the facts that such claim will be based. Any claim, whether receiving or warranty in nature, must be received within the period stated above or such claim will be forever waived.

Clerical Errors

CGIS reserves the right to correct all stenographic or clerical errors or omissions in any documents whether quotations, invoices, etc.

Delivery

Delivery times are quoted and established by CGIS on the basis they are as accurate as possible given the conditions prevailing at the time of quotation. All delivery times are confirmed or modified at the time of order acknowledgment. Deliveries quoted are subject to prior sale, and the time of delivery begins upon order release from the customer. In no instance does CGIS guarantee delivery time, nor will CGIS assume any liability for damages, losses or expense resulting from CGIS' failure to deliver products within the quoted delivery times.

Design Changes

CGIS reserves the right to change, discontinue, or alter the design and construction of any product without prior notice and to have no obligation for such changes, alterations, or discontinuance of the products previously or subsequently sold.

Force Majeure

In no event shall CGIS be liable for any losses, costs, damages or other expenses resulting from failure or delay in delivery due to acts of God, differences with workmen, local labour shortages, fire, flood or other casualty, government regulations or requirement, or any other causes beyond CGIS control, whether similar or dissimilar to those enumerated. CGIS shall have such additional time as may be reasonably necessary to perform its obligations hereunder in the event of the occurrence of any of events describes above. In no event shall CGIS be liable for any consequential damages or claims for labour resulting from failure or delay in delivery.

Inspection

All products on orders which require Purchaser's inspection must be inspected and accepted at CGIS warehouses.

Liability

In addition, and not in limitation of any other term of these Terms and Conditions of Sale, CGIS shall not be liable for any claims for contingent, special, or consequential damaged, such as, but not limited to those stated hereafter. In no event shall CGIS be held liable for the loss of profits, for the loss of the use of process, facilities, equipment, plant, or product of the purchaser or end user whether partially or otherwise due to defects in material, workmanship, or design and delay of the products.

Miscellaneous Charges

The minimum order billing per order is \$60. Any extra incurred by CGIS such as engineering, tagging, taxes, service calls, export crating, or other expenses will be added to the invoice after notification to the purchaser of the extra costs. Should CGIS be requested to hold shipments for a purchaser, such shipment will be held at the risk and cost of the purchaser, and CGIS shall have the right to bill the purchaser for insurance and storage costs. Any orders on hold more the sixty (60) days will be billed for storage.

Payment Terms

All invoices for domestic Canadian purchasers will be due net thirty (30) days from date of invoice on approved credit. All invoices for international (non-Canadian) purchasers will be confirmed, irrevocable Letters of Credit due on delivery to Canadian freight forwarder, Canadian port. All amounts past due of a purchaser will be charged at one and three-quarter percent (1 3/4%) per month service charge or the maximum annual rate allowable by law if less.

Credit Card Policy

CGIS will accept credit card payments at the time the order is shipped to a maximum of \$5,000 without a fee. Any credit card charge exceeding this amount will incur a financial services fee of our merchant fee plus 0.5%. As at April 1, 2011 the merchant fee is 1.83%.

Prices

Prices of all CGIS products are subject to change without notice. All orders will be invoiced at the prices in effect at time order is received at CGIS warehouses.

Published Data

All published dimensions, weights, temperatures, pressure ratings, and other data are approximate; if critical, consult factory for certified data.

Returned Goods

No materials may be returned for credit without prior written approval from CGIS. In issuing credits, CGIS will deduct shipping, restocking and reconditioning expenses from the Purchaser's credit. Goods will be returned prepaid using a CGIS RGA number.

Shipments

All CGIS prices are quoted Ex-Works. Our warehouses and CGIS responsibility for products ends when the transportation companies collect such products from CGIS. CGIS does not insure shipments beyond the delivery points to such transportation company and, therefore, all claims of lost or damaged products in transit must be filed directly with the transport company by the Purchaser.

Taxes

The customer shall incur all taxes that are applicable to the products sold by CGIS.

Warranty

CGIS provides the following warranty regarding products represented by it.

THE WARRANTY STATED HEREIN IS EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES AND REPRESENTATIONS, EXPRESS OR IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTY OF MERCHANTABILITY OR THE IMPLIED WARRANT OF FITNESS FOR A PARTICULAR PURPOSE.

CGIS warrants products it represents to be free from defects in materials and workmanship when these products are used for the purposes for which they were designed and manufactured.

The warranty period is for twelve (12) months from installation date or eighteen (18) months from shipment date, whichever date comes first. Any claim regarding this warranty must be in writing and received by CGIS before the last effective date of the warranty period. Upon CGIS receipt of a warranty claim, CGIS reserves the right to inspect the product(s) in question at either the field location or at CGIS warehouses. If, after inspection of the product(s) in question CGIS determines that the purchaser's claim is covered by this warranty, CGIS sole liability and the purchaser's sole remedy under this warranty is limited to the refunding of the purchase price or repair or replacement thereof at CGIS option.

CGIS will not be liable for any costs of repairs, labour, material, or other expenses that are not specifically authorized in writing by CGIS, and in no event shall CGIS be liable for any direct or consequential damages arising out of any defect or from any cause whatsoever. If any CGIS product is modified or altered at any location other than CGIS warehouses without the express written authorization of CGIS, then this warranty is null and void.

Any products sold by CGIS but manufactured by companies other than CGIS are not covered by this warranty. The warranty for such products shall be subject only to the warranty relief, if any, provided by the suppliers and/or manufacturers of such products.