

411 Kaska Road, Sherwood Park, AB T8A 4E9 Phone Number: (780) 416-7575

Fax Number: (780) 416-4789

Terms and Conditions of Sale

The terms and conditions of sale set forth herein, and any supplements which may be attached hereto, constitute the full and final expression of the contract for the sale of product or service (hereinafter referred to as Product and Service), by Meridian Power Systems Inc. (hereinafter referred to as Seller) to the buyer, and supersedes all prior quotations, purchase orders, correspondence or communications whether written or oral between the Seller and the Buyer. Notwithstanding any contrary language in the Buyers purchase order, correspondence or other form of acknowledgement, Buyer shall be bound by these Terms and Conditions of Sale when it sends a purchase order or otherwise indicates acceptance of this contract or when it accepts delivery from Seller of the Product or Service. THE CONTRACT FOR SALE OF PRODUCT OR SERVICE IS EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS OF SALE STATED HEREIN. ANY ADDITIONAL OR DIFFERENT TERMS PROPOSED BY BUYER ARE REJECTED UNLESS EXPRESSLY AGREED TO IN WRITING BY SELLER. No contract shall exist except as herein provided.

Complete Agreement

No amendment or modification hereto nor any statement representation or warranty not contained herein shall be binding on the Seller unless made in writing by an authorized representative of the Seller. Prior dealings, usage of the trade or a course of performance shall not be relevant to determine the meaning of this contract even though the accepting or acquiescing party had knowledge of the nature of the performance and opportunity for rejection.

Quotations

Written quotations are valid for 30 days from its date unless otherwise stated in the quotation or terminated sooner by notice.

Verbal quotations, unless accepted, expire the same day they are made.

A complete, signed order must be received by the Seller within 20 calendar davs of notification of award, otherwise the price and shipment is subject to renegotiation.

Termination and Cancellation

Any order may be terminated by the Buyer only by written notice and upon payment of reasonable termination charges, including all costs plus profit.

Seller shall have the right to cancel any order at any time by written notice if the Buyer materially breaches any of the terms hereof, becomes the proceeding for bankruptcy, insolvency or receivership, generally does not pay its debts as they become due, or makes an assignment for the benefit of creditors.

The price does not include any taxes. Buyer shall be responsible for the payment of the Goods and Services Tax, Provincial Sales Tax and other taxes of a similar nature, applicable to, or arising from the transaction, the property, its sale, value, use or any Service performed regardless of the person or entity actually taxed.

Invoicing and Terms of Payment

The Seller may issue progress invoices on a weekly, biweekly or monthly basis at the sole discretion of the Seller.

Terms of payment are net 30 days from the date of invoice.

If payments are not made in accordance with these terms, a service charge will, without prejudice to the right of Seller to immediate payment, be added in the amount of 1.5% per month or any portion thereof.

If, at the sole discretion of Seller, the financial condition of the Buyer at any time during the period of the contract does not justify the terms of payment, Seller may required full or partial payment in advance.

Unless otherwise agreed to in writing, freight is EXW as per Incoterms 2010

The Buyer is responsible to procure adequate insurance for loss or damage during shipment.

Drawing Approval

Seller will design the product in line with, in Seller's judgement, generally accepted professional standards and good commercial practice. If, at drawing approval, Buyer makes changes outside of the design as covered in their specifications, Seller will then be paid reasonable charges and allowed a commensurate delay in shipping date based on the changes made.

WARRANTY

Warranty for Product

Seller warrants the Product manufactured by it will conform to Seller's applicable specifications and be free from failure due to defects in workmanship and material for a period of one (1) year from the date of manufacture.

In the event that a product fails to comply with the foregoing warranty, the Seller will, at its option, either (a) repair or replace the defective Product, or defective part or component thereof, EXW (incoterms 2010) Seller's facility freight prepaid, or (b) credit buyer for the purchase price of the Product. All warranty claims shall

be made promptly in writing. Seller requires all non conforming Product be returned at Buyer's expense for evaluation unless specifically stated otherwise in

This warranty does not cover failure or damage due to storage, installation, operation or maintenance not in conformance with Seller's recommendations or industry standard practice or due to accident, misuse, abuse or negligence. In no event shall the Seller be responsible for providing working access to any defect, including the removal, disassembly, replacement or reinstallation of any equipment, materials or structures to the extent necessary to permit the Seller to perform its warranty obligations, or for transportation costs to and from the Seller's or original manufacturer's factory or repair facility.

This warranty does not apply to Product not directly manufactured by Seller. Seller limits itself to extending the same warranty it receives

Used equipment is sold on an "AS IS" basis unless specific warranty terms are offered by the seller.

Warranty for Service

Seller warrants that the Service performed by it hereunder will be performed in accordance with generally accepted professional standards.

The Service which does not conform shall be corrected by the Seller upon notification in writing from the Buyer within one (1) year after completion of the

Unless otherwise agreed to in writing by Seller, Seller assumes no responsibility with respect to the suitability of the Buyer's equipment or with respect to any latent defects in the same. This warranty does not cover damage to Buyers equipment, components or parts resulting in whole or in part from improper maintenance or operation or from their deteriorated condition. In no event shall the Seller be responsible for providing working access to any defect, including the removal, disassembly, replacement or reinstallation of any equipment, materials or structures to the extent necessary to permit the Seller to perform its warranty obligations, or for transportation costs to and from the Seller's or original manufacturer's factory or repair facility.

Warranty for Power Systems Study

Seller warrants that any Power Systems Study performed by it will conform to generally accepted professional standards. Any portion of the study which does not so conform shall be corrected by the Seller upon notification in writing by the Buyer within six (6) months after completion of the study.

Limitations on Warranties for Product, Service and Power Systems Study

Seller Disclaims all other warranties including any implied warranties of merchantability and fitness for a particular purpose.

The remedies set forth above are the buyer's sole remedy for any failure of Seller to comply with its warranty obligations. Correction of non-conformities in the manner and for the period of time provided above shall constitute Seller's sole liability and Buyer's exclusive remedy for failure of Seller to meet its warranty obligations whether claims of the buyer are based in contract, in tort (including negligence and strict liability), extra-contractually or otherwise.

Force Majeure

Seller shall not be liable for failure to perform or delay in performance due to fire, flood, strike or other labour difficulty, act of god, act of any governmental authority or of the Buyer, riot, embargo, fuel or energy shortage, car shortage, wrecks or delays in transportation, or due to any other cause beyond Seller's reasonable control. In the event of delay in performance due to any such cause, the date of delivery or time for completion will be extended by a period of time reasonably necessary to overcome the effect of such delay.

Limitation of Liability

The remedies of the Buyer set forth herein are exclusive and are the sole remedies for any failure of Seller to comply with its obligations hereunder. In no event shall Seller be liable in contract, in tort (including negligence or strict liability), extra-contractually, or otherwise for damage to property or equipment other than the product sold hereunder, loss of profits or revenue, loss of use of Product, cost of capital, claims of customers of the Buyer, or any special, indirect, incidental or consequential damage whatsoever. The total cumulative liability of Seller arising or related to this contract whether the claims are based in contract, in tort (including negligence or strict liability), extra-contractually, or otherwise shall not exceed the price of the Product or Service on which such liability is

Governing Law

This contract shall be governed, interpreted and construed by and in accordance with the laws of the Province of Alberta.

Election of Language

It is the express wish of the parties that this document and all documents related to it be drawn up in English.