

Terms and Conditions Covering the Purchase of Products and Services from CEL Companies

These Terms and Conditions apply to the purchase of any products and services (hereafter individually or collectively "Products") by Controlled Environments Limited and its subsidiaries, including but not limited to Controlled Environments Inc. and Argus Control Systems Ltd., or any of them individually (hereafter individually or collectively "CEL"). "Purchaser" means the company, firm, individual or other entity with whom CEL contracts to supply Products. CEL and the Purchaser may be referred to herein collectively as the "Parties".

By accepting a purchase order, the Parties agree to the Terms and Conditions (hereafter "Conditions") as set out below:

1.0 The Contract

- (i) The acceptance of any order or specification, and terms of payment relating to same, is subject to approval by CEL. All sales contracts shall be effective only when approved and acknowledged, in writing, by CEL. Changes to orders that have already been accepted by CEL must also be confirmed in writing and accepted, and where the changes result in an increase in the original cost, the additional costs shall be due and owing to CEL by the Purchaser.
- (ii) All contracts between CEL and the Purchaser shall be subject to these Conditions. In the event the Purchaser has not received a copy of these Conditions in relation to a specific order, these Conditions shall nevertheless apply to the contract provided they had previously been made available to the Purchaser on CEL's website or elsewhere.
- (iii) Any description contained in CEL's catalogues, datasheets, website, price lists or other promotional or informational material is intended to present a general description of CEL's Products only. Specifications are subject to change without notice. Only that description as contained in the final written contract between CEL and the Purchaser shall be considered final and actual.
- (iv) All prices quoted are exclusive of taxes, freight and duties, unless specifically stated otherwise. Taxes, freight and duties are payable by the Purchaser.

2.0 Delivery, Completion and Force Majeure

- (i) Shipping dates are approximate and based on prompt receipt of all necessary information by CEL, including but not limited to signed approval drawings where requested. A delay in the receipt of information from the Purchaser will usually result in the delay of the project. Shipping dates are provided in good faith, and CEL shall make its best efforts to see that delivery is made within the time estimated, subject, however, to delays caused directly or indirectly by matters beyond its control, including but not limited to failure or delay in source of supply, acts of governmental authorities, transportation delays, acts of God, pandemics, and accidents and

- (ii) disruptions such as fires, explosions, breakdowns of equipment and power shortages. In no event shall the failure to effect shipment in the time estimated give rise to damages or be considered cause for cancellation of the order where the delay is the result of circumstances beyond CEL's control, or unless the delay is excessive.
- (iii) CEL shall deliver the Products to the address provided by the Purchaser or his agent (hereafter the "Address").
- (iv) Unless otherwise agreed to in writing, the risk in the Products that CEL agrees to supply shall pass to the Purchaser as soon as delivery to the Address has been effected. Risk for the Products rests with the Purchaser during the installation and commissioning phase.

3.0 Payment

Unless otherwise agreed to in writing by CEL:

- (i) The Purchaser shall make payment to CEL in accordance with the payment terms as defined in the quote document or order acknowledgment.
- (ii) If neither the quote nor the order acknowledgment speaks to payment terms, and the matter of payment terms has not been agreed to otherwise in writing by CEL, payment shall be made by the Purchaser to CEL prior to shipment of the Products from CEL.
- (iii) CEL shall have a right of action against the Purchaser for the price of the Products whenever the payment of the price becomes due, whether or not the Products have been received by the Purchaser. Even though risk has passed to the Purchaser when delivery of the Products is made to the Address, beneficial ownership in the Products shall not pass to the Purchaser until such time as total payment has been received by CEL.
- (iv) In addition to any other rights of CEL, interest is payable on all overdue accounts at the rate of 1.5% per month, or 18% per year.
- (v) Where the Purchaser defaults under the contract or any contract with CEL in respect of payment on the due date of any sum due to CEL, CEL, without liability, may postpone any further shipments or may cancel the contract or any other contract between CEL and the Purchaser, including any warranty obligations, but without prejudice to any right which CEL may have against the Purchaser in respect of the Purchaser's default.
- (vi) CEL may, before the acceptance of a purchase order, and from time to time thereafter, request that the Purchaser furnish reasonable evidence that financial arrangements have been made to fulfill the Purchaser's obligations under the contract. Where such a request is made in writing, the Purchaser shall provide the evidence, failing which CEL may, at its option, refuse or suspend the project.

4.0 Cancellation

Unless otherwise agreed to by CEL, once accepted by CEL, orders shall not be subject to cancellation by the Purchaser, unless the Purchaser fully compensates CEL for all costs incurred, either directly or indirectly, plus a 25% administration/restocking fee on the total amount of those costs.

5.0 Postponement

If, after Products have been ordered by the Purchaser, the Purchaser seeks a postponement of delivery of those Products, CEL shall invoice, and the Purchaser shall pay to CEL, the price of the Products according to the original schedule and terms of payment, as if delivery had been affected at the time originally agreed to. Further, the Purchaser shall be responsible for any extra costs resulting from the handling and storage of the Products, including insurance premiums. Prices quoted do not include extra costs of handling, warehousing and insuring Products.

6.0 Installation and Testing

If requested by the Purchaser, and subject to the availability of personnel and equipment, accessibility to the site and the state of the site conditions, CEL shall perform the installation, commissioning and/or testing of the Products. Where installation, commissioning and/or testing is specifically stated to be included in the quote, the price of same, along with the responsibilities of the parties, shall be set out in the quote.

When CEL is contracted to perform Product installation, the Purchaser shall advise CEL, in writing, of the date on which the site will be ready for the installation of the Products. If the site is not in a condition such that the installation can be completed on the specified date, the Purchaser shall compensate CEL for any direct or indirect costs incurred as a result of the delay. CEL shall propose an alternate schedule for the installation, based on the availability of CEL installation resources.

Similarly, when CEL is contracted to test Products, the Purchaser shall advise CEL, in writing, of the date on which the site and Products will be ready for testing. If the site is not in a condition such that the testing can be completed on the specified date, the Purchaser shall compensate CEL for any direct or indirect costs incurred as a result of the delay.

7.0 Proprietary Information and Data Rights

Any technical information furnished by CEL to the Purchaser relating to or as a result of an order shall be considered confidential unless otherwise indicated by CEL, in writing, or unless required to be disclosed by governmental authority. Where the Purchaser is a general contractor, such information may be disclosed to the ultimate owner and/or user(s). In any event, such information shall not be reproduced, used or disclosed to others without CEL's prior written consent, and shall be returned to CEL upon request. Any information supplied by CEL pertaining to a particular contract or project is to be used only in relation to that contract or project and may not be used in other applications or for other projects.

All controller software is the property of CEL and is licensed for use by the Purchaser pursuant to the terms of CEL's standard warranties, copies of which can be found on the CEL website.

The Purchaser agrees that data collected from the CEL products or the usage thereof may be compiled and analyzed by CEL on an aggregated and de-identified basis such that no individual level data can be identified ("Aggregated Data"), and that such Aggregated Data may be used by

CEL for any lawful purpose including, without limitation, creating statistics, reports, databases, tools, methodologies, compilations or other versions of such information. CEL may disclose Aggregated Data to others, including its affiliates, customers, and business partners, and may also retain it for future use. The Purchaser agrees that all Aggregated Data is and will remain the exclusive property of CEL.

8.0 WARRANTY, LIABILITY AND THE LIMITATION THEREOF

All warranties, guarantees and conditions in respect of the Products, other than those expressly stated in CEL's standard warranties, are expressly excluded, including the implied warranties of merchantability and fitness for a particular purpose. CEL (including its directors, officers, employees and agents) shall not be liable for any indirect, incidental or consequential loss or damage of any kind, regardless of the cause of such loss or damage. This includes but is not limited to lost profits, lost data or business interruption, or loss or damage arising out of the existence of any fungi or any spores, mycotoxins, allergens, odors, or any other substances, products or bi-products produced by, released by, or arising out of the current or past presence of fungi, mold or mildew. CEL's liability on any claim for damages arising out of or in connection with the development, manufacture, sale, installation, delivery or use of any product(s), good or service, shall never exceed the purchase price of the individual product or products giving rise to the alleged or proven loss. Unless otherwise agreed to by CEL in writing, all the provisions contained in its warranties shall supersede any printed conditions of contract or general reservation which may be printed in any past or future communication or document from the Purchaser or the Purchaser's agent.

9.0 CONSTRUCTION AND SEVERABILITY

All Conditions in this document shall prevail over and supersede any contrary or inconsistent terms or conditions or other documents issued by the Purchaser, whether they have been communicated in the past or are communicated in the future. If any provision of these Conditions is determined to be invalid or unenforceable, the remainder of the Conditions shall remain valid and enforceable to the maximum extent so as to achieve, as closely as possible, the original intentions.

10. APPLICABLE LAWS

The laws of the Province of Manitoba, in Canada, shall govern if any dispute arises hereunder, with the courts of the Province of Manitoba having exclusive jurisdiction.