

Definitions

"Contract" means the documents applicable to the sale and supply of the Deliverables by Galvanic to Customer, as defined by the parties, which shall include, but are not limited to, the Galvanic quotation to Customer for the Deliverables, these Standard Terms and Conditions, the purchase order ("P.O.") issued by Customer, the P.O. acknowledgment by Galvanic, the Warranty Statement and software license agreement set out in the Galvanic product operation manual for the Deliverables, and any other documents expressly made part of the Contract by the parties. Any other terms and conditions, whether printed on the P.O. form or otherwise which conflict with these Standard Terms and Conditions are excluded. All P.O.s are subject to Galvanic's written acceptance. All Contract changes must be agreed to in writing by both Parties.

"Customer" means the entity named in the Contract as the purchaser of equipment, Software and/or services from Galvanic.

"Deliverables" means the equipment, Software and/or services to be supplied by Galvanic to Customer under the Contract.

"Galvanic" means Galvanic Applied Sciences Inc. or Galvanic Applied Sciences U.S.A. Inc. as defined in the Contract as the supplier of the Deliverables.

"Software" means computer programs, applications and firmware including source, object and executable codes, and related documentation, listings and data licensed by Galvanic to Customer under the Contract.

General Terms

The following are the terms and conditions applicable to the sale and supply of the Deliverables by Galvanic to Customer. These terms and conditions will prevail over any similar or conflicting terms and conditions of Customer unless otherwise documented and specifically agreed upon.

Acceptance of the Deliverables by Customer constitutes agreement to be bound by these Terms and Conditions

All Galvanic equipment, Software and services are confidential and proprietary. By offering to purchase equipment or service from Galvanic, Customer is not granted any right in any Galvanic Confidential information. Customer agrees not to re-engineer, re-design or decode any Galvanic software, firmware or any other Galvanic technology.

The Contract and these terms and conditions shall be governed by and construed in accordance with the laws of the Province of Alberta.

Pricing, Taxes and Terms of Payment

Prices do not include shipping costs or any sales, use, property, valued added or similar taxes, whether federal, state, provincial or local ("Taxes"). Taxes will be added to the invoice as required by law. Customer is obligated to pay all Taxes without limitation unless proper tax exemption documentation is provided by the paying entity.

For purchase orders received within the validity period stated in the Galvanic quotation, the quoted prices will remain firm through the duration of the Contract. Should shipping be delayed by the Customer or his agents through no fault of Galvanic, pricing shall be subject to escalation.

Terms of payment are as set forth in the Contract. Customer shall make full payment in advance of shipment unless otherwise stated and agreed in the Contract. Unless otherwise agreed, all invoices are due net 30 days from the date of respective invoice. All overdue invoices shall bear interest at the rate of 1.5 % per month, or the maximum amount permitted by applicable law (whichever is less), accruing from the due date until paid in full.

In the event that a payment to Galvanic remains unpaid more than 30 days after its due date, Galvanic reserves the right, without any liability and without prejudice to its other rights, to do one or more of the following at Galvanic's discretion: (i) terminate the Contract or to suspend the performance of its obligations under the Contract, (ii) require Customer to return all equipment not paid for, or repossess all such equipment and recover from Customer all amounts payable hereunder. Galvanic does not have any duty to account to Customer for the proceeds of any disposition of equipment subsequent to return or repossession; and (iii) institute any other actions and remedies permitted by applicable law. Non-payment annuls any warranty. Customer understands and agrees that all required collection fees, legal expenses, and interest will be charged to Customer in the event of default in payment by Customer.

If a letter of credit is agreed to be acceptable between Galvanic and the Customer as a method of payment, an upfront premium charge of \$900 dollars will apply and must be stipulated on the Purchase order.

Order Amendments

Any changes submitted after original P.O has been accepted by Galvanic are subject to a change processing fee of \$800 in addition to any price adjustment as a result of the requested change.

Delivery, Freight and Shipping

Delivery of the Deliverables is normally 4-6 weeks after receipt of order and required information. At that time a firm delivery date will be provided. For spare parts, delivery date will be as stated on the price quotation. If Customer does not take delivery of product per agreed delivery date, Galvanic reserves the right to impose storage charges of \$300 per month per crate.

All equipment is shipped to and from Galvanic at Customer's expenses, unless otherwise agreed to in writing. All shipping arrangements must be designated by Customer. All equipment is shipped EXW (ExWorks as defined in the Incoterms 2010) from Galvanic. It is Customer's responsibility to insure all shipments for full, new replacement value. In the event appropriate insurance is not obtained it will be assumed that Customer wishes to self-insure. It is Customer's responsibility to file damage claims with carrier.

Galvanic shall not be responsible for any losses or damages sustained by Customer or any party as a result of improper installation, or misapplication of the equipment. Customer is responsible for all loss, theft, mysterious disappearance, damage (i.e. power surge or lightning strike, flood, fire, wind or any other) while equipment is in Customer's possession or in transit.

Title to Sale Equipment

Title to equipment remains with Galvanic until Customer fulfills all payment obligations to Galvanic. Customer must keep equipment free from all liens, levies, and encumbrances up until all payment obligations for equipment have been fulfilled.

Title to Galvanic Software shall at all times remain with Galvanic and shall be licensed to Customer according to the terms and conditions in the software license agreement set out in the relevant Galvanic product operation manual.

Warranty

All products carry a 12-month warranty from the date of start-up of the product or 18 months from date of shipment, whichever occurs first, in accordance with the warranty terms and conditions set out in Galvanic's Warranty Statement found in the product operation manual. The warranty is valid only when the product is used under normal conditions and in accordance with the operating limitations and prescribed maintenance stated in the product operation manual.

THE WARRANTY DESCRIBED IN GALVANIC'S WARRANTY STATEMENT FOUND IN THE PRODUCT OPERATION MANUAL IS IN LIEU OF ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE AND WHETHER ARISING BY STATUTE OR OTHERWISE IN LAW OR FROM A COURSE OF DEALING OR USAGE OF TRADE.

Limitation of Liability

NOTWITHSTANDING ANYTHING ELSE CONTAINED IN THE CONTRACT DOCUMENTS, IN NO EVENT SHALL GALVANIC BE LIABLE TO CUSTOMER FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL OR PUNITIVE DAMAGES, OR FOR ANY LOSS OF USE OR PRODUCTION, OR ANY LOSS OF DATA, PROFITS OR REVENUES, OR ANY CLAIMS RAISED BY CUSTOMERS OF CUSTOMER OR ANY ENVIRONMENTAL DAMAGE OR ANY FINES IMPOSED ON CUSTOMER BY ANY GOVERNMENTAL OR REGULATORY AUTHORITIES, WHETHER SUCH DAMAGES ARE DIRECT OR INDIRECT, AND REGARDLESS OF THE FORM OF ACTION (WHETHER FOR BREACH OF CONTRACT OR WARRANTY OR IN TORT OR STRICT LIABILITY) AND WHETHER ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR NOT. GALVANIC'S LIABILITY IS LIMITED TO CUSTOMER'S ACTUAL DIRECT DAMAGES AND SHALL NOT EXCEED THE TOTAL OF ALL AMOUNTS PAID BY CUSTOMER UNDER THE CONTRACT.

Spare Parts and Consumables

Only genuine Galvanic spare parts and consumables purchased from Galvanic or an authorized representative shall be used with Galvanic equipment. Use of unauthorized parts and/or consumables may void any warranty.

Restocking Fee

If a Customer claims dissatisfaction with their equipment or claims that the equipment received was not as agreed to in the written agreement between Galvanic and the Customer, it is the Customer's responsibility to notify Galvanic and provide proper supporting documentation. Product may be returned or exchanged only at the discretion of Galvanic. This will require a restocking fee of 25% of the sales price. The Customer also assumes responsibility for shipping, insurance, or any other charges incurred aside from the restocking fee.

Material of Construction

Galvanic will select optimal materials of construction for manufacturing. These materials may vary from what is stated in the quotation based on recommendations from Galvanic's engineers or chemists. Therefore, it is critical to provide Galvanic with accurate sample information to ensure optimal chemical compatibility.

Unforeseen Events and Circumstances

Neither party shall be liable for delays, loss or damage due to any failure or delay in performance hereunder resulting from any cause beyond the reasonable control of such party, including but not limited to acts of God, inevitable accidents, fires, earthquakes, flood, hurricanes, tornados and other severe weather events, war, riot, governmental actions or changes in laws or regulations, acts of civil or military authorities, epidemics, strikes, walk-outs or other labor conflicts, shortages in materials or delays in transportation.

Confidentiality

Any and all trade secrets, specifications, drawings, designs, samples, other technical, financial, product, marketing, sales, production, subcontracting, pricing and other confidential and/or proprietary information of a Party pertaining to the Deliverables, or otherwise to the Contract, or a Party, its products, businesses, operations, or plans, shall not be disclosed to any unauthorized third party by the other Party. Receiving Party shall ensure that its directors, officers, employees and agents comply with the obligations herein. Unless otherwise agreed to in writing by the Parties, confidentiality, non-disclosure and non-use obligations herein shall remain in force to the maximum term permitted by applicable law.

Infringement of Intellectual Property Rights

Galvanic shall, at its option and cost, defend or settle any patent, trademark or copyright infringement suit or proceeding brought against Customer to the extent it is based on a claim that the Galvanic equipment or software infringes any existing U.S. or Canadian patent, trademark or copyright issued on or before the date of the Contract (a "Claim"), and subject to Customer notifying Galvanic in writing within 15 days from Customer's knowledge of such claim. Galvanic shall be given authority, information and assistance to defend and negotiate the settlement of same. If any Galvanic supplied equipment or software becomes the subject of a Claim, Galvanic shall, at its discretion and cost, do any one or combination of the following:

- procure for Customer the right to continue using the infringing Equipment or part thereof;
- replace the infringing part with non-infringing part; or
- modify the infringing part so that it becomes non-infringing.

Galvanic shall have no liability to Customer for claimed infringement of any patent or other intellectual property rights resulting from:

- Customer's own design or specification;
- changes or modifications to Galvanic equipment or software by Customer or a third party without Galvanic's prior written consent; or
- use of Galvanic equipment or software in a manner or for a purpose other than specified in the Contract, or not in accordance with Galvanic's manuals or instructions.
- the combination, operation or use of the Galvanic equipment or software with software, hardware, or other materials not furnished by Galvanic if such infringement would have been avoided by using the Galvanic equipment or software without such other software, hardware or other materials.

The foregoing states the entire obligation and liability of Galvanic with respect to infringement claims. The provisions of this clause shall survive any termination of the Contract.