

2G ENERGY CORP - GENERAL TERMS AND CONDITIONS FOR SALE OF GOODS

1. Applicability.

(a) These terms and conditions of sale (these "**Terms**") are the only terms which govern the sale of the goods ("**Goods**") by 2G Energy Inc. ("**2G Energy**") to the customer identified in the accompanying Sales Confirmation ("**Buyer**"). Notwithstanding anything herein to the contrary, if a written contract signed by both parties is in existence covering the sale of the Goods covered hereby, the terms and conditions of said contract shall prevail to the extent they are inconsistent with these Terms.

(b) The accompanying quotation or order confirmation or invoice, as the case may be (the "**Sales Confirmation**"), and these Terms (collectively, this "**Agreement**"), comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral. These Terms prevail over any of Buyer's general terms and conditions of purchase regardless whether or when Buyer has submitted its purchase order or such terms. Fulfillment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

2. Delivery of Goods.

(a) The Goods will be delivered within the time frame established in the Sales Confirmation, or if none is set forth therein, then within a reasonable time after the receipt of Buyer's purchase order, subject to availability of finished Goods, but all such time frames are estimates and 2G Energy shall not be liable for any delays, loss or damage in transit.

(b) Unless otherwise agreed in writing by the parties, 2G Energy shall deliver the Goods to the location set forth in the Sales Confirmation, or if no such location is indicated then to 2G Energy's warehouse facility (the "**Delivery Point**") using 2G Energy's standard methods for packaging and shipping such Goods. Buyer shall take delivery of the Goods when the Goods have been delivered to the Delivery Point, or if the Delivery Point is 2G Energy's warehouse facility, then within 5 days after written notice of availability at the Delivery Point. Buyer shall be responsible for all loading costs and provide equipment and labor reasonably suited for receipt of the Goods at the Delivery Point.

(c) 2G Energy may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfillment of Buyer's purchase order.

(d) If for any reason Buyer fails to accept delivery of any of the Goods on a timely basis as specified in Section 2(b) above, or if 2G Energy is unable to deliver the Goods at the Delivery Point because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) 2G Energy, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, foreign exchange rates, storage, conservation, and insurance).

3. Shipping Terms. 2G Energy shall make delivery in accordance with the terms on the Sales Confirmation, or if no such terms are provided in the Sales Confirmation, then the Goods will be delivered FCA, buyer responsible for blocking, bracing and insurance 2G Energy's facility or warehouse.

4. Title and Risk of Loss. Title and risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. As collateral security for the payment of the purchase price of the Goods, Buyer hereby grants to 2G Energy a lien on and security interest in and to all of the right, title and interest of Buyer in, to and under the Goods, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest

granted under this provision constitutes a purchase money security interest under the Uniform Commercial Code of the Province of Ontario.

5. Buyer's Acts or Omissions. If 2G Energy's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Buyer or its agents, subcontractors, consultants, or employees, 2G Energy shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges, or losses sustained or incurred by Buyer, in each case, to the extent arising directly or indirectly from such prevention or delay, and Buyer will reimburse 2G Energy for any cost or expenses incurred by 2G Energy as a consequence of such prevention or delay.

6. Inspection and Rejection of Nonconforming Goods.

(a) Buyer shall inspect the Goods within 5 days of receipt ("**Inspection Period**"). Buyer will be deemed to have accepted the Goods unless it notifies 2G Energy in writing of any Nonconforming Goods during the Inspection Period and furnishes such written evidence or other documentation as reasonably required by 2G Energy. "**Nonconforming Goods**" means only the following: (i) product shipped is different than identified in Buyer's purchase order; or (ii) product's label or packaging incorrectly identifies its contents.

(b) If Buyer timely notifies 2G Energy of any Nonconforming Goods, 2G Energy shall, in its sole discretion, (i) replace such Nonconforming Goods with conforming Goods, or (ii) credit or refund the Price for such Nonconforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Nonconforming Goods to 2G Energy's designated facility. If 2G Energy exercises its option to replace Nonconforming Goods, 2G Energy shall, after receiving Buyer's shipment of Nonconforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods to the Delivery Point.

(c) Buyer acknowledges and agrees that the remedies set forth in Section 6(b) are Buyer's exclusive remedies for the delivery of Nonconforming Goods. Except as provided under Section 6(b), all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under this Agreement to 2G Energy.

7. Price.

(a) Buyer shall purchase the Goods from 2G Energy at the prices (the "**Prices**") set forth in 2G Energy's published price list in force as of the date 2G Energy accepts Buyer's purchase order. All published prices were based on 2G Energy's then current costs when those prices were published, quoted or otherwise provided to Buyer (including, without limitation, the cost of parts, materials, and labor need to manufacture, assemble, and deliver the Goods), and the assumption that 2G Energy's ability to supply the Goods in a timely fashion would not be delayed or impaired for reasons beyond its reasonable control. If 2G Energy incurs increased costs for performance for any reason beyond its reasonable control, then 2G Energy will be entitled to an equitable adjustment in the Prices payable by Buyer, as determined by 2G Energy in good faith, to cover 2G Energy's increased costs of performance.

(b) All Prices are exclusive of all sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any governmental authority on any amounts payable by Buyer. Buyer shall be responsible for all such charges, costs and taxes; provided, that, Buyer shall not be responsible for any taxes imposed on, or with respect to, 2G Energy's income, revenues, gross receipts, personal or real property, or other assets.

8. Payment Terms.

(a) Buyer shall pay all invoiced amounts due to 2G Energy on or before the due date for payment as specified in the Sales Confirmation, or 2G's Energy's invoice if no due date is specified in the Sales Confirmation, or if no such due date is specified in either the Sales Confirmation or 2G Energy's invoice, then within 30 days from the date of 2G Energy's invoice. All payments hereunder shall be by check or wire transfer in the currency specified in the Sales

Confirmation, or 2G Energy's invoice if no currency is specified in the Sales Confirmation, or if no currency is specified in either the Sales Confirmation or 2G Energy's invoice, then payment shall be in US dollars.

(b) Buyer shall pay interest on all late payments at the lesser of the rate of 1% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse 2G Energy for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available under these Terms or at law (which 2G Energy does not waive by the exercise of any rights hereunder), 2G Energy shall be entitled to suspend the delivery of any Goods if Buyer fails to pay any amounts when due hereunder and such failure continues for 5 days following written notice thereof.

(c) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with 2G Energy, whether relating to 2G Energy's breach, bankruptcy or otherwise.

9. Limited Warranty.

(a) All Goods are sold subject to 2G Energy's standard Limited Warranty, a copy of which can be found at [2G Energy Corp Limited Warranty](#) (the "Standard Warranty"). **EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THE STANDARD WARRANTY, 2G ENERGY MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY OF ANY NATURE, KIND OR CHARACTER, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF: (i) MERCHANTABILITY; (ii) FITNESS FOR A PARTICULAR PURPOSE; (iii) TITLE; OR (iv) NON-INFRINGEMENT; WHETHER ARISING BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE, ALL OF WHICH ARE EXPRESSLY DISCLAIMED. THE REMEDIES SET FORTH IN THE STANDARD WARRANTY SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND 2G ENERGY'S ENTIRE LIABILITY FOR ANY BREACH OF THE WARRANTIES SET FORTH IN THE STANDARD WARRANTY.**

10. Limitation of Liability.

(a) **IN NO EVENT SHALL 2G ENERGY BE LIABLE TO BUYER OR ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE OR PROFIT OR LOSS OF DATA OR DIMINUTION IN VALUE, OR FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGES WERE FORESEEABLE AND WHETHER OR NOT 2G ENERGY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.**

(b) **IN NO EVENT SHALL 2G ENERGY'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE TOTAL AMOUNT PAID TO 2G ENERGY HEREUNDER FOR THE ITEM GIVING RISE TO SUCH LIABILITY.**

(c) The limitation of liability set forth in Section 10(b) shall not exclude or limit liability for personal injury or death to the extent that such liability cannot be excluded or limited under applicable law.

11. Compliance with Law. Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents, and permits that it needs to carry out its obligations under this Agreement. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Buyer. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. 2G Energy may terminate this Agreement if any governmental authority imposes antidumping or countervailing duties or any other penalties on Goods.

12. Termination. In addition to any remedies that may be provided under these Terms, 2G Energy may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under this Agreement; (b) has not otherwise performed or complied with any of these Terms, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization, or assignment for the benefit of creditors.

13. Waiver. No waiver by 2G Energy of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by 2G Energy. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

14. Confidential Information. All non-public, confidential or proprietary information of 2G Energy, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts, or rebates, disclosed by 2G Energy to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated, or otherwise identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by 2G Energy in writing. Upon 2G Energy's request, Buyer shall promptly return all documents and other materials received from 2G Energy. 2G Energy shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

15. Force Majeure. 2G Energy shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of 2G Energy including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion, or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, pandemic, lockouts, strikes or other labor disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, labor or equipment at prices and on terms 2G Energy deems in its sole discretion to be commercially reasonable, or equipment or telecommunication breakdown or power outage. Such circumstances entitle 2G Energy to postpone performance for the duration of such circumstances plus a reasonable starting up time or to cancel any order or part thereof not yet fulfilled.

16. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of 2G Energy. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

17. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

18. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of these Terms.

19. Governing Law. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the internal laws of the Province of Ontario without giving effect to any choice or conflict of law provision or rule (whether of the Province of Ontario or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than those of the Province of Ontario. The United Nations Convention on the International Sale of Goods shall not apply to this Agreement.

20. Subject to Section 25 below, any dispute, controversy or claim arising out of or relating to this Agreement will be resolved through binding international arbitration administered by the Commercial Arbitration and Mediation Centre for the Americas (CAMCA) in accordance with its rules, and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The place of arbitration will be Guelph, Ontario, and the language of the arbitral proceeding will be English.

21. Notices. All notices, requests, consents, claims, demands, waivers, and other communications hereunder (each, a "Notice") shall be in writing and addressed to the parties at the addresses set forth on the face of the Sales Confirmation or to such other address that may be designated by the receiving party in writing. All Notices shall be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), facsimile (with confirmation of transmission), or certified or registered mail (in each case, return receipt requested, postage prepaid). Except as otherwise provided in this Agreement, a Notice is effective only (a) upon receipt of the receiving party, and (b) if the party giving the Notice has complied with the requirements of this Section.

22. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

23. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Agreement including, but not limited to, the following provisions: Payment Terms, Limited Warranty, Limitation of Liability, Compliance with Law, Confidential Information, Governing Law, Submission to Jurisdiction, and Survival.

24. Amendment and Modification. This Agreement may only be amended or modified in a writing which specifically states that it amends this Agreement and is signed by an authorized representative of each party.

25. Mediation: Except as provided below, all disputes arising under or related to this Agreement which cannot be resolved through negotiations between the parties shall be submitted to mediation according to this Section. Completion of such mediation shall be a condition precedent to bringing any action pursuant to this Agreement. If the parties fail to reach a settlement of their dispute within thirty (30) days after the earliest date upon which one of the parties notified the other of its desire to attempt to resolve the dispute, then the dispute shall be promptly submitted to mediation by a single mediator chosen by the mutual consent of the parties. If the parties are unable to agree on a mediator, 2G Energy shall nominate one individual and the other party shall nominate another and those two nominated individuals jointly shall choose a mediator. The mediation shall take place in Guelph, Ontario. This obligation of the parties to submit any dispute arising under or related to this Agreement shall survive the expiration or earlier termination of this Agreement. Notwithstanding the foregoing,

either party may seek an injunction or other appropriate relief from a court or arbitrator (if arbitration is provided for in this Agreement) to preserve the status quo (including preservation of a claim that would otherwise be barred by an applicable statute of limitations that expires within 60 days of the filing) with respect to any matter pending conclusion of the mediation, but shall not be permitted to stay or otherwise impede the progress of the mediation. If the parties fail to reach an agreement through the above mediation process, either party may seek resolution through arbitration in accordance with Section 20 above