

---

## Standard Terms and Conditions

---

### **AML OCEANOGRAPHIC LTD.**

A300-2261 Keating Cross Road, Saanichton, BC V8M 2A5 CANADA  
(referred to as “AML”)

1.           **GENERAL**       The following are the terms and conditions (referred to as the “Terms and Conditions”) attaching to the acceptance by AML Oceanographic Ltd. (“AML”) of any order placed by any person or entity (the “Purchaser”) for sales by AML of any goods, products or services (the “Goods”) which AML offers for sale from time to time. The Terms and Conditions apply to any purchase and sale of AML Goods, whether by accepted purchase order, accepted AML quote or estimate, or other written record. The Terms and Conditions may be varied or amended only by written agreement of the Purchaser and AML. Where an appointed agent of AML is buying on his own account he shall be deemed to be the Purchaser.
  
2.           **PRICES**         All prices accepted are firm and shall be denominated in the currency of the order acceptance or as otherwise agreed. Unless otherwise agreed, prices are Ex Works (EXW) AML’s facility, and do not include insurance or shipping.
  
3.           **DELIVERY**       Delivery dates at time of acceptance of order are not guaranteed. All Goods shall be shipped Ex Works (EXW) AML’s facility. Charges incurred by AML for freight, documentation, export (or other special) packing, insurance and any other related services will be billed to the Purchaser. AML is not responsible for loss or damage to goods in transit and risk of loss passes to the Purchaser upon the goods departing the AML facility. The Purchaser is responsible to arrange insurance at its discretion for loss or damage to goods in transit.
  
4.           **PAYMENT**        Payment for Goods shall be made by the Purchaser to AML strictly according to the terms of payment specified on AML’s acceptance of order. Payments when due from the Purchaser shall be made to AML at its address as indicated on the invoice or order acceptance. No holdback, deduction or delay in payment is permitted for late delivery or shipping loss unless agreed in writing by the Purchaser and AML, and in no event where delivery is lost or delayed due to circumstances not in AML’s control. Purchaser agrees to pay interest on overdue payments at the rate of 18% per annum (1.5% per month).
  
5.           **RETURNS**        All returns must have prior written authorization of AML. Returns will be subject to a restocking fee of 30%, at AML’s discretion. No returns after 90 days will be accepted.
  
6.           **MODIFICATION OF GOODS**   Where the Purchaser intends to integrate AML Goods for use or resale, the Purchaser agrees not to modify AML Goods except strictly in accordance with any manual, directions or specifications provided, or with the express permission of AML to each proposed modification.
  
7.           **USE OF INTELLECTUAL PROPERTY PROHIBITED**   Purchaser is strictly prohibited from making reproducing, reverse engineering, disassembling or modifying any AML Goods or any part or component of any AML Goods, for its own use or for third party use or resale, including software programs shipped with the Goods. Software, unless otherwise agreed in writing, may only be used or distributed with the Goods. Except where expressly agreed in writing, Purchaser is not granted any rights in or to any patents, trademarks, trade names, logos, copyrights or trade secrets of AML or its suppliers in connection with the Goods.

8.           **RESALE**           These terms and conditions shall not be affected by or varied by any terms and conditions of sale accepted by the Purchaser from its customer(s). The Purchaser is responsible for compliance by its customers with these terms and conditions, as applicable.
9.           **CANCELLATION**       Purchaser may not cancel an order without the consent of AML. Cancellations are subject to fees of 10% of order value plus customization or configuration costs (if applicable).
10.          **NON-STANDARD GOODS**    Special orders will require pre-payment in an amount to be determined by AML, which will be forfeited if the order is cancelled or delayed without AML's consent.
11.          **WARRANTY**    AML warrants AML Goods to be free from defects in materials, workmanship and function (as set out in the acceptance of Purchaser's order) for a period of TWENTY-FOUR (24) months from date of delivery (the "AML Warranty"). AML will replace or repair to its standards any Goods which are proved to be defective, subject to the conditions and limitations herein. Any repair or replacement by AML under the AML Warranty will be completed at AML's facility, at the address indicated above. Costs of transport or delivery to AML's facility are for the Purchaser's account. Where a valid claim has been made and Goods are to be re-delivered to the Purchaser, AML will pay costs of re-delivery by usual commercial means (up-charges for express or expedited delivery will be paid by the Purchaser).
12.          **LIMITATIONS TO WARRANTY**    For a Purchaser's claim under the AML Warranty to be accepted by AML, it must be the case that the Goods in question have been installed, powered, and operated in compliance with all instructions, manuals or specifications supplied by AML or otherwise in effect. Damage incurred in shipping is not covered. Damage or default resulting from contact with corrosive materials or atmosphere is not covered. Damage or default from deployment inconsistent with instructions or guidelines in the user manual or documentation is not covered. Damage or default caused by modification of the AML Goods without consent is not covered.
13.          **LIMITATIONS TO LIABILITY**    Except as to its obligations under the AML Warranty, AML is not responsible for any costs, losses, damages or claims whatsoever, whether direct or indirect, and howsoever incurred, by the Purchaser or by any third party claiming through or in relation in any way to the Purchaser, due to or related to any alleged or demonstrated fault or defect or unsuitability for purpose in AML Goods, or the period of time during which the Purchaser or any claiming party may be deprived of the use of the Goods as a consequence thereof.
14.          **SPECIAL CONDITIONS**       Special or supplemental terms or conditions may be attached to or apply in respect of certain AML Goods (including OEM terms and conditions). Where contained in product documentation or otherwise set out in writing in the order, acceptance of order, invoice or elsewhere, these will apply and are binding on the Purchaser, to the extent they are not inconsistent with these terms and conditions. Unless expressly set out in writing, or otherwise by agreement of AML and the Purchaser, no term or condition other than those set out herein will apply or be enforceable.
15.          **CONFIDENTIAL INFORMATION**    Any specifications, samples, designs, formulations or other information of AML disclosed to the Purchaser in connection with an order or along with any AML Goods is acknowledged by the Purchaser to be confidential and proprietary to AML (the "**Confidential Information**"). Confidential Information shall remain the exclusive property of AML and shall, along with any information derived from the same, be kept confidential by the Purchaser and its employees and agents and shall not, without AML's prior written consent, be disclosed to any third party or used except for authorized purposes connected with or ancillary to the Purchaser's use of the AML Goods. The Purchaser agrees not to analyze or reverse engineer any Good or sample or to assist and/or allow any third party to do so without the express written consent of AML. The Purchaser agrees that the covenant of confidentiality and

nondisclosure set forth above shall survive and remain in effect for so long as the Confidential Information remains confidential.

16.           **LANGUAGE**   The language of the contract between AML and a Purchaser is agreed to be English. Where the laws of a country of sale require goods to be marked in any particular manner or language(s), it is the Purchaser's responsibility to fulfill these obligations. AML will provide assistance as is reasonably required.
  
17.           **ARBITRATION** Any disagreements that cannot be resolved by the parties shall be exclusively resolved by binding arbitration in Vancouver, British Columbia, under the Arbitration Act (British Columbia), before a single arbitrator. Purchaser hereby consents to the venue and jurisdiction of such arbitration, whose costs shall be borne equally by the parties.
  
18.           **APPLICABLE LAW** This Agreement shall be governed and construed in all respects in accordance with the laws of the Province of British Columbia, Canada, without regard to provisions relating to choice of law. The parties agree to exclude entirely the application of the United Nations Convention on Contracts for the International Sale of Goods from this Agreement and from any agreement or transaction that may be executed or carried out pursuant to this Agreement. Nevertheless, if any of the provisions of this Agreement or the application of any such provisions to the parties is held by a tribunal of competent jurisdiction to be governed other than by British Columbia law, then any relevant reference, waiver or incorporation of a British Columbia rule or statute contained in this Agreement shall be interpreted to the maximum extent practical to refer to comparable laws of the applicable jurisdiction.