

Terms and Conditions Sales and Delivery

Plasmatreat USA Inc.

1. GENERAL.

These General Terms and Conditions of Sale and the terms that appear on the front/previous page(s) hereof (collectively, the "Contract") set forth the terms and conditions pursuant to which the purchaser described on the front/previous page(s) hereof (the "Purchaser") will purchase and the seller described on the front/previous page(s) hereof (the "Seller") will sell the products, equipment, accessories, attachments and/or services (hereafter collectively called "Equipment") described on the front/previous page(s) of this Contract. The terms and conditions of this Contract shall govern and apply to the sale of the Equipment to Purchaser, regardless of any other purchase order form(s) or document(s) submitted by Purchaser to Seller, and/or the inconsistency of any terms therein and herein.

2. CANCELLATION.

Purchaser shall not cancel this Contract or cause the work or shipment of the Equipment to be delayed, except with the written consent of, and upon terms agreed to by, Seller.

3. PRICE.

All prices are EXWorks Ancaster, Canada set forth on the front/previous page(s) hereof. All prices are exclusive of any and all taxes including, but not limited to, excise, sales, use, property, transportation, or occupational taxes and such other like taxes related to the sale or use of the Equipment, now or hereafter imposed, together with all penalties and expenses. Purchaser shall be responsible for collecting and/or paying any and all such taxes. Purchaser shall indemnify and hold Seller free and harmless from and against the imposition and payment of such taxes. Unless otherwise specified herein, all prices are exclusive of inland freight, insurance and other costs or expenses relating to the shipment of the Equipment from EXWorks Ancaster, Canada to Purchaser's plant. In the event Seller shall make arrangements for such inland transportation, all costs and expenses relating to such inland transportation shall be for the account of Purchaser and shall be paid by Purchaser to Seller. In the event delivery of the Equipment, or any part thereof, is delayed due to the fault of Purchaser, any and all additional costs or expenses incurred by Seller resulting from such delay in delivery shall be chargeable to and paid by Purchaser.

4. PAYMENT, DELINQUENCY CHARGE.

Payment shall be in accordance with the payment terms on the front/previous page(s) hereof. Seller reserves the right to charge interest at the rate of up to one and one half (1-1/2%) percent per month (but not more than the maximum interest rate permitted by applicable law) on all balances not paid by Purchaser within the designated net terms. Seller reserves the right at any time to revoke any credit extended to Purchaser because of Purchaser's failure to pay for any goods when due or for any other reason deemed sufficient by Seller. Seller shall make no sale or shipment of any products to Purchaser on open account, or in any manner, if at any time the financial responsibility of the Purchaser becomes impaired or unsatisfactory to Seller, and the Purchaser does not provide full security to Seller, or if at the time of such sale or shipment, Purchaser is delinquent in the payment of any account to Seller. In the event Purchaser shall be in default of any of the terms and conditions hereof, or becomes insolvent or proceedings are instituted to declare Purchaser bankrupt, or a receiver is appointed for Purchaser in any court, Seller may, at its option, terminate this Contract and upon such termination by Seller, any and all claims or demands against Purchaser held by Seller shall

immediately become due and payable. In addition, in the event of any default hereunder, Seller shall have the right to disconnect, disable or otherwise render the Equipment unusable, and Purchaser hereby agrees to cease all use of the Equipment immediately upon notice from Seller.

5. DELIVERY.

Seller shall exert its best efforts to cause the Equipment to be shipped and delivered in accordance with the terms and provisions of this Contract.

Seller's obligations under this Contract are subject to delays incident to labor difficulties, fires, casualties and accidents, acts of the elements, acts of God, transportation difficulties, delays by common carrier, inability to obtain equipment, materials or components or qualified labor sufficient to timely perform part of or all of this Contract; and governmental regulations or other like causes beyond the control of Seller. In the event of any such delays, the delivery of the Equipment shall be correspondingly extended, and Seller shall keep Purchaser fully informed of the effects of such events. Title to the Equipment shall pass at EXWorks Ancaster, Canada designated in this Contract. All risk of damage or loss to the Equipment at any time after departure from EXWorks Ancaster, Canada set forth on the front/previous page(s) hereof is assumed by Purchaser and such damage or loss shall not operate in any way to release Purchaser from any of its obligations hereunder or otherwise. Notwithstanding any provision contained in this Contract to the contrary, Seller shall not be responsible or liable to Purchaser for any loss or damage of any nature whatsoever (including, but not limited to, any loss of income and/or profits, direct, indirect, incidental, special and consequential damages) resulting from Seller's delayed performance in the shipment and delivery of the Equipment for any reason.

6. INSTALLATION.

(a) Unless otherwise stated herein, Purchaser, at its sole cost and expense, shall furnish such materials, labor and equipment as may be necessary for the prompt erection, assembly and installation of the Equipment. If Seller agrees to or is otherwise construed to have directed, supervised, managed, or controlled in any manner the rigging, erection, assembly or installation of the Equipment, Purchaser hereby RELEASES, WAIVES, AND DISCHARGES the Seller and its affiliated and related companies, and their respective shareholders, directors, officers, employees, agents and representatives (the "Released Parties") from any and all liability relating to any personal injury, property damage, loss, and/or any and all claims or demands relating to and/or arising out of or in connection with the Seller's rigging, erection, installation, assembly, servicing, or use and operation of the Equipment, and training of Purchaser's personnel. Purchaser shall indemnify, defend and hold harmless Seller and the Released Parties from and against all claims, losses, liabilities, damages or expenses whatsoever arising out of any alleged bodily injury, death or property damage relating to, arising out of, or in connection with the Seller's rigging, erection, installation, assembly, servicing, or use and operation of the Equipment and training of Purchaser's personnel; (b) Purchaser shall comply in all respects with any and all federal, state and local environmental and pollution laws, rules, regulations and ordinances of any nature whatsoever (the "Environmental Requirements") relating to the Purchaser's use, operation and maintenance of the Equipment; and (c) Purchaser shall indemnify Seller and hold Seller harmless from and against any and all losses, liabilities, damages or expenses whatsoever incurred by Seller arising out of any alleged injury to person or physical damage to property due to the negligence of Purchaser, or its employees or agents during the erection, assembly, installation, use and/or operation of the Equipment.

7. WARRANTY.

Seller warrants that upon delivery, the Equipment sold hereunder will be free from defects in material and workmanship (collectively, the "Warranty"). If within a period of (i) one (1) year from the date the Equipment is delivered or

(ii) fourteen (14) months from the date upon which Seller is prepared or able to make delivery to Purchaser in accordance with the delivery terms set forth on the front/previous page(s) hereof, whichever comes first, the Equipment does not conform to the Warranty, and the Purchaser notifies the Seller within ten (10) business days in writing of first becoming aware of such non-conformity, PURCHASER'S SOLE AND EXCLUSIVE REMEDY UNDER THIS WARRANTY SHALL BE LIMITED TO, AT SELLER'S DISCRETION, THE REPLACEMENT OR REPAIR OF ANY DEFECTIVE EQUIPMENT OR PART THEREOF, OR A REFUND OF THE PURCHASE PRICE PAID BY PURCHASER FOR THE EQUIPMENT IN EXCHANGE FOR PURCHASER'S RETURN OF THE EQUIPMENT TO SELLER, FREE AND CLEAR OF ALL LIENS AND ENCUMBRANCES OF ANY NATURE. IN NO EVENT SHALL SELLER'S LIABILITY HEREUNDER OR OTHERWISE ARISING RELATIVE TO THE SALE OF THE EQUIPMENT EXCEED IN ANY EVENT OR UNDER ANY THEORY OR CAUSE OF ACTION, THE PURCHASE PRICE PAID BY PURCHASER TO SELLER FOR THE EQUIPMENT. SELLER'S WARRANTY HEREIN IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES OF SELLER, THE MANUFACTURER OF THE EQUIPMENT, AND ANY OTHER ENTITY INVOLVED IN THE MANUFACTURE, SALE, OR SERVICING OF THE EQUIPMENT (OR ANY PORTION THEREOF) AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES AND RELATED COMPANIES (HEREINAFTER COLLECTIVELY REFERRED TO AS THE "MANUFACTURING AND SELLING COMPANIES"), EXPRESS, IMPLIED OR STATUTORY, OR OTHERWISE CREATED UNDER APPLICABLE LAW INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY AND ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL SELLER AND/OR THE MANUFACTURING AND SELLING COMPANIES BE LIABLE FOR ANY DIRECT, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER OR NOT CAUSED BY OR RESULTING FROM THE NEGLIGENCE OF SELLER AND/OR THE MANUFACTURING AND SELLING COMPANIES, UNLESS SPECIFICALLY PROVIDED HEREIN. IN ADDITION, THIS WARRANTY SHALL NOT APPLY TO ANY EQUIPMENT OR PORTIONS THEREOF WHICH (I) HAVE BEEN SUBJECT TO ABUSE, MISUSE, IMPROPER INSTALLATION, MAINTENANCE OR OPERATION, ELECTRICAL FAILURE OR ABNORMAL CONDITIONS; (II) TO EQUIPMENT WHICH HAS BEEN TAMPERED WITH, ALTERED, MODIFIED, REPAIRED OR REWORKED BY ANYONE NOT APPROVED BY SELLER; AND (III) EQUIPMENT WHOSE COMMISSION (SERIAL) NUMBER HAS BEEN REMOVED OR DEFACED. No agent, employee

or representative of Seller or the Manufacturing and Selling Companies has the authority to bind Seller or the Manufacturing and Selling Companies to any affirmation, representation or warranty concerning the goods sold hereunder, and unless such affirmation, representation or warranty made by an agent, employee or representative is specifically included within this Contract, it will not form part of the basis of this Contract and shall not in any way be binding upon Seller or the Manufacturing and Selling Companies or enforceable by Purchaser. Seller's Warranty hereunder is extended to and shall be for the sole and exclusive benefit of the original Purchaser-user of the Equipment purchased from Seller. This Warranty is not assignable or otherwise transferable to any subsequent purchaser or user of the Equipment, and any sale or other transfer of the Equipment or any such attempted assignment and transfer of this Warranty shall void Seller's Warranty, and Seller shall thereafter have no further obligation or liability with regards thereto, unless granted by the Seller to the Purchaser in writing.

8. RETENTION OF TITLE.

Title to the Equipment shall remain vested in the Seller and shall not pass to the Purchaser until the purchase price for the Equipment has been paid in full and received by the Seller.

9. SECURITY INTEREST.

Purchaser hereby grants to Seller and Seller hereby retains a continuing purchase money security interest in all of the Equipment sold and delivered by Seller to Purchaser, together with all proceeds (as presently or hereafter defined by the Uniform Commercial Code or Canadian equivalent)

thereof. The aforesaid security interest shall secure and act as security for any and all indebtedness, liability and obligations of Purchaser to Seller, now existing or hereafter arising. Purchaser hereby appoints Seller as

its attorney in fact, and authorizes Seller to, (i) sign/authenticate on behalf of Purchaser such additional documents/records as may be required from time to time to create, amend, extend, continue, maintain or perfect the security interest described herein or otherwise granted to or retained by Seller and (ii) make/undertake such actions as Seller deems appropriate to perfect, amend, continue and maintain the perfection of the security interest created hereby or otherwise granted to or retained by Seller. In addition, Purchaser hereby ratifies any filings made against Purchaser by Seller prior to the date

hereof. Furthermore, Purchaser hereby agrees to pay Seller's costs and expenses, including, but not limited to, reasonable attorneys' fees and court costs for the determination of any amount due to Seller arising out of or in any way related to this Contract and/or for the collection of any amounts owing to Seller hereunder or incurred in the repossession of the Equipment. The security interest granted herein shall survive any termination of the Contract and/or Purchaser's rights hereunder.

10. PATENT INFRINGEMENT.

Seller warrants that the Equipment sold hereunder will not in and of itself infringe any patent of the United States of America. Seller's liability under this warranty (and the liability of the Manufacturing and Selling Companies) is limited to Seller's defense of any suit or proceeding brought against Purchaser based on a claim that the Equipment sold hereunder when employed in the manner intended by Seller constitutes an infringement of any patent of the United States. Seller's liability hereunder is conditioned upon the Purchaser giving immediate written notice of any such claim made against Purchaser, and giving all such information available to Purchaser and such assistance as required by Seller with respect to such claim, and Purchaser's granting to Seller exclusive control of the settlement and litigation of any such suit, proceeding or claim. If Purchaser's use of the Equipment in the manner intended by Seller is finally enjoined, Seller shall, at its option, procure for Purchaser the right to continue using the Equipment, replace the same with non-infringing equipment, modify the Equipment so it becomes non-infringing, but equivalent to the Equipment sold hereunder, or remove the Equipment and refund the purchase price (less allowance for use, damage and obsolescence). In no event will Seller and/or the Manufacturing and Selling Companies be liable for any patent infringement based on the use of the Equipment for purposes other than that for which it is sold by Seller. Seller makes no warranty against patent infringement resulting from portions of the Equipment made to Purchaser's specifications or the use of the Equipment in combination with other products or in the practice of any process, and if a claim, suit or action is based thereon, Purchaser shall, defend, indemnify and save Seller and the Manufacturing and Selling Companies harmless from and against any and all claims, losses or damages arising therefrom.

11. CONFIDENTIALITY.

All drawings, designs, specifications, manuals and programs furnished to Purchaser by Seller shall remain the confidential and proprietary property of Seller. All such information, except as may be found in the public domain, shall be held in strict confidence by Purchaser and shall not be disclosed by Purchaser to any third parties. Copyright in all materials made available by Seller shall remain in Seller at all times.

12. SAFETY PRECAUTIONS.

The Equipment is not explosion-proof, as flammable gases and liquids should

be kept away from the jets. When working with plasma, the Purchaser must make sure that (i) the generator is switched off and locked for any maintenance of the jets; and (ii) the jet does not blast onto a stationary surface. Although the cables in the Equipment are fully shielded to reduce electromagnetic emissions to a minimum, the jets operate with a low arc discharge that does generate some electromagnetic radiation, usually much below that of typical corona systems with an unshielded arc

discharge. Furthermore, the Equipment may release some nitrogenous air (NO_x). Other gaseous emissions might be created by the surface which is treated. As a result, connection to the factory ventilation system is recommended. Purchaser shall require all employees to use all safety devices (including, but not limited to, safety glasses and other safety equipment), guards, and proper safe operating procedures as set forth in manuals and instructions furnished by Seller. It is the Purchaser's responsibility to provide all the means that may be necessary to effectively protect all employees from serious bodily injury which otherwise may result from the method of particular use, operation or set-up or service of the Equipment. If Purchaser fails to comply with such provisions of this paragraph or the applicable standards or regulations aforementioned, Purchaser shall indemnify and save Seller and the Manufacturing and Selling Companies harmless from and against any and all claims, losses or damages arising therefrom.

13. MISCELLANEOUS PROVISIONS.

(a) This Contract together with all attachments hereto constitutes the entire agreement between Seller and Purchaser as it relates to this transaction and the respective liabilities of Purchaser, Seller and the Manufacturing and Selling Companies, and supersedes any and all prior agreements, representations, correspondence, quotations or understandings heretofore in force between the parties. There are no agreements between Seller and Purchaser with respect to the Equipment herein except those specifically set forth and made part of this Contract and all attachments. Acceptance of this Contract is limited to the terms, condition, specifications, and prices set forth herein. Any additional, contrary or inconsistent terms, conditions and/or prices are rejected by Seller unless expressly agreed to in writing by Seller and Purchaser; (b) if any term or condition or part of this Contract is held to be invalid, the remaining terms and conditions of this Contract shall not be affected thereby; (c) this Contract may be modified, cancelled, or rescinded only by the written agreement of both parties executed by their duly authorized agents; (d) no claim arising out of any breach of this Contract may be discharged in whole or in part by waiver or renunciation of such claim unless such waiver or renunciation is in writing and signed by the parties hereto; (e) this Contract may not be assigned without the express written consent of the parties hereto. Any attempted assignment of rights or delegation of duties shall be void; (f) all rights available to Purchaser and Seller except as specifically limited or excluded herein (even though not specifically enumerated herein), are expressly reserved to Purchaser and Seller as remedies available in the event of default of the other party. The Manufacturing and Selling Companies shall be extended the benefits and protection of this Contract; (g) EXCEPT TO THE EXTENT THAT PERFECTION OF THE SECURITY INTEREST GRANTED HEREIN IS OTHERWISE MANDATED BY APPLICABLE LAW, THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE/PROVINCE WHERE THE SELLER IS LOCATED AS SET FORTH ON THE FIRST/PREVIOUS PAGE(S) HEREOF, WITHOUT REFERENCE TO CONFLICTS OF LAWS PRINCIPLES. THE UNITED NATIONS CONVENTION ON INTERNATIONAL SALE OF GOODS SHALL NOT APPLY TO THE PURCHASE AND SALE OF THE EQUIPMENT; (h) WITHOUT LIMITING SELLER'S RIGHT TO COMMENCE ANY ACTION, AT SELLER'S ELECTION, IN ANY OTHER JURISDICTION, PURCHASER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY COURT (FEDERAL, PROVINCIAL OR STATE) SITUATED IN THE COUNTY/PROVINCE WHERE THE SELLER IS LOCATED AS SET FORTH ON THE FIRST/PREVIOUS PAGE(S) HEREOF, AND WAIVES ANY AND ALL OBJECTIONS TO LACK OF JURISDICTION, IMPROPER VENUE AND/OR FORUM NON-CONVENIENS. PURCHASER HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY. PURCHASER SHALL BRING ANY LEGAL PROCEEDINGS ARISING OUT OF THIS CONTRACT AND/OR THE RELATIONSHIP OF THE PARTIES HERETO ONLY IN A

FEDERAL, PROVINCIAL OR STATE COURT LOCATED IN THE COUNTY/PROVINCE WHERE THE SELLER IS LOCATED AS SET FORTH ON THE FIRST/PREVIOUS PAGE(S) HEREOF; (i) PURCHASER WAIVES ANY AND ALL CLAIMS FOR PUNITIVE DAMAGES AGAINST THE SELLER AND THE MANUFACTURING AND SELLING COMPANIES RELATING TO THE EQUIPMENT, THIS CONTRACT, THE RELATIONSHIP OF THE PARTIES AND ANY OTHER MATTERS RELATED THERETO; and (j) it is the express intent of the parties that this Agreement and any related documents be prepared in the English language.