

EXOVA CANADA INC. (and Subsidiaries) AND EXOVA INC., A DELAWARE CORPORATION (and Subsidiaries) STANDARD TERMS AND CONDITIONS OF CONTRACT ("the Conditions")

INTERPRETATION

1. In these Conditions the following expressions shall (unless the context requires) have the following meanings:

"Client" means the person, firm or company to whom a Quotation is addressed or for whom a Test or any Services is carried out;

"Company" means the member of Exova that is providing the Services, being any of Exova Canada Inc., Exova Inc. a Delaware corporation and/or any of their respective subsidiaries, as applicable;

"Contract" means these Conditions including the Quotation or Proposal which refer to these Conditions;

"Indemnified Persons" means the Company, its affiliates and subsidiaries, and its and their respective directors, officers, employees, agents, contractors and subcontractors;

"Price" means the price stated in the Quotation, or otherwise agreed with the Client in writing together with all other sums due pursuant to these Conditions;

"Proposal" means the Company's proposal of which these Conditions form a part and shall be deemed incorporated by reference as if fully set forth therein;

"Quotation" means the Company's quotation (whether written or oral) of which these Conditions form a part and shall be deemed incorporated by reference as if fully set forth therein ;

"Report" means any report, recommendation or the like issued by the Company in respect of the Services;

"Sample" means any material supplied by the Client to form the basis of a Test;

"Services" means the services specified in the Quotation or Proposal;

"Test" means any testing, analysis, assay or the like specified in a Quotation or Proposal;

"Test Certificate" means any test certificate, recommendation or the like issued by the Company in respect of a Test.

QUOTATION

2.1 The Quotation constitutes a revocable offer by the Company to provide Services and/or carry out a Test subject to the Conditions and is open for acceptance for ninety days only from the date thereof unless stated otherwise on the written Quotation or Proposal or unless revoked prior to acceptance. Acceptance by the Client must include written authorisation, including a Purchase Order, or advance payment.

2.2 Except in accordance with these Conditions no variation of the Contract will be accepted unless agreed in writing by the Company.

2.3 No condition, statement or representation contained in any advertisement or brochure or in any trade or promotional circular or other literature, nor the terms or conditions of any trade association or other body, or which would or might but for this sub-paragraph be implied or incorporated by custom or trade, usage, negotiations, course of dealing or otherwise shall be deemed to be incorporated in the Contract and all of the same are hereby expressly excluded from the Contract.

PRICE

3.1 The Price is based on information available to the Company at the date of the Quotation. If during the period of the Contract there shall be any variation in the cost of materials, labour or otherwise to the Company, the Price may, in the absolute discretion of the Company, be adjusted to take account of such variation.

3.2 In addition to the amount specified in the Quotation the following shall be in addition to the Price and payable if imposed on the Company or otherwise appropriate:

- (i) any applicable value added tax, excise tax, goods and services tax, sales tax, use tax or other applicable tax;
- (ii) all bank charges;
- (iii) package, insurance, freight and storage charges incurred on behalf of the Client, whether on the Company's premises or elsewhere, and to include storage charges on the Company's premises, if any Sample or materials supplied by the Client are not removed from the Company's premises within seven days of the date of notification to the Client that they are ready for collection;
- (iv) insurance incurred by the Company, in its absolute discretion, in respect of any property belonging to the Client in the possession of the Company;
- (v) the cost of all sub-contractors engaged by the Company unless included in the Quotation; and
- (vi) any additional costs incurred by the Company in accordance with these Conditions.

PAYMENT

4.1 The Price shall be paid to the Company in full without any deduction, set-off or counterclaim within thirty days of the date of the Company's invoice and in default of payment within the thirty days the Company may suspend any further Services and/or Tests being carried out for the Client and the amount outstanding from time to time shall bear interest (both before and after any judgment) at a rate equal to the lesser of 24% per annum or the maximum rate permitted by law until payment in full is made (a part of a month being treated as a full month for the purpose of calculating interest to the extent permitted by law). Late fees shall be in addition to (and not in lieu of) other remedies for default available to the Company.

4.2 All payments due to the Company shall be payable within the specified time irrespective of whether or not the Client has recovered payment from a third party and, for the avoidance of doubt, but without prejudice to the generality of the foregoing, this includes payments of fees due to the Company acting as experts or as expert witnesses when instructed by solicitors/attorneys acting for a party in a dispute.

4.3 The Company reserves the right not to initiate work or perform Services or Tests until acceptable credit terms have been established. Credit terms may include, payment of outstanding invoices, prepayments outlined in the Quotation and/or submission of a completed credit application by the Client including a release to allow the Company to draw upon a third party credit checking agency.

EXECUTION OF TESTS

5.1 The Test shall be carried out singly unless prior written instructions from the Client are received for replicates or unless the Company considers replicates are necessary or desirable. The Company reserves the right to charge for replicates even if the original result is confirmed.

5.2 The Client shall supply as much information as possible about each Sample in order to assist in achieving an efficient Service. Where Samples are incorrectly

described and the Company is involved in additional work, the Company reserves the right to charge for such additional work.

5.3 Unless specific prior instructions in writing are received by the Company, the Test shall be carried out on the Sample in the state in which the Sample is received. The Company reserves the right to charge for any work required to be carried out to the Sample prior to the performance of any Test.

5.4 Methods of carrying out the Test shall be at the sole discretion of the Company unless specific prior instructions in writing are received by the Client specifying a particular procedure which are agreed to by the Company. Charges for such special procedures will be negotiated and agreed to between the Company and the Client prior to carrying out the Test.

5.5 A general description of the method used in the Test shall be given verbally on request. Where written descriptions of detailed procedures are requested, whether as part of the Test Certificate or issued separately, the Company reserves the right to make an additional charge. If the method needed in the Test represents the end product of development work carried out at the Company's expense, the method shall only be revealed at the discretion of the Company.

5.6 If special standards or equipment are used in the Test, they shall be invoiced in addition to the charge of the Test itself.

5.7 The Company may, at its sole discretion, undertake to give priority in carrying out a particular Test. A surcharge may be imposed by the Company for the carrying out of priority work. (Details of these arrangements will be issued by the Company on request.)

SAMPLES SUBJECT OF LEGAL PROCEEDINGS

6. The Client shall notify the Company in writing if the Services to be performed are in support of pending or contemplated litigation prior to the Company commencing the Services. If that fact is not disclosed to the Company, the Company shall not necessarily be prepared to provide expert testimony. Should the Company be legally compelled to perform other work such as giving of evidence under a summons to witness the Client shall pay a fee based on standard hourly rates in effect.

DISCLAIMER OF LIABILITY AND LIMITATION OF WARRANTY

7.1 The Company's total liability (if any) to the Client (excepting always liabilities in respect of personal injury or death caused by the gross negligence or willful misconduct of the Company's operations), whether in contract, tort, delict, quasi delict, or otherwise in respect of any loss, direct or indirect or consequential, or damage (howsoever caused) directly or indirectly arising from any breach of Contract, or from any negligent act or omission of any Indemnified Person, or from any breach by any Indemnified Person of any duty owed to the Client in connection with the Contract shall be limited to the Price.

7.2 All Services and/or Tests are undertaken in good faith, to a reasonable standard of care and on a confidential basis. Reports and Test Certificates are issued on the basis of information known to the Company at the time the Services and/or the Tests are carried out. Although the Company will use all reasonable endeavors to insure accuracy the Company's achievements depend, inter alia, on the effective co-operation of the Client, its staff, and on the information and materials submitted to the Company. Save as required by law, no representation or warranty, whether expressed or implied or otherwise as to the accuracy of a Test Certificate or a Report is given by the Company. In consequence, all Reports and Test Certificates are prepared on the basis that:

- (i) there is no responsibility or liability to any person or body other than the Client;
- (ii) they are not carried out for any particular purpose and no statement is to be deemed, in any circumstances to be or give rise to a representation, undertaking, warranty or contractual condition unless specifically stated; and
- (iii) they are determined solely by the professional analysis undertaken by the Company's staff on each individual Contract and any forecasts by the Company of the results is an estimate only and the Company is entitled to be paid the Price irrespective of the results or conclusions reached.

7.3 All time limits, if any, are estimates and no undertaking is given to carry out the Services and/or Tests or to dispatch any Test Certification within any period of time.

7.4 The Company shall not be responsible or liable to the Client for the consequences of any delay in carrying out the Services and/or Tests or in delivering the Report and/or Test Certificate arising from any strike, lockout, trade dispute, accident, fire, inclement weather, flood, tempest, war, or act of God or any other matter or thing beyond its reasonable control.

7.5 No Indemnified Person shall be liable to the Client for any amount exceeding the Price arising from the inaccuracy of the results set out in a Test Certificate or Report hereunder.

OBLIGATIONS OF CLIENT

8.1 The Client shall not reveal or make available the details of any Report or Test Certificate to any third party (see also 10.2) without first obtaining the prior written consent of the Company, however the Company shall have the right to disclose all information it possesses regarding the Contract, the Services and the Test results if required by court order or valid subpoena and the Company shall incur no liability to the Client resulting from such disclosures.

8.2 The Client shall be bound to inform the Company in writing prior to the carrying out of any Test that a sample is of a dangerous or unstable nature and shall indemnify the Indemnified Persons from and against all loss or damage suffered by the Indemnified Persons, including, without limiting the generality of the foregoing, all damage to the Indemnified Persons' property and all claims in respect of injury to or deaths of any of the Indemnified Persons or of any third party, directly or indirectly arising from or in connection with the failure of the Client to inform the Company of the dangerous or unstable nature of a Sample.

8.3 The Client shall indemnify the Company from and against all loss or damage suffered or incurred by the Company, whether to or at the instance of the Client or its employees, sub-contractors or agents or third parties or otherwise directly or indirectly arising from or in connection with the carrying out of the Services and/or Tests except to the extent such loss or damage is caused by the gross negligence or willful misconduct of the Company.

8.4 Unless otherwise agreed the Client will be responsible for providing a safe system of work for the Company and its employees, agents and sub-contractors while providing Services and the Client shall be responsible for all costs necessarily required in discharging this obligation and shall indemnify the Indemnified Persons in respect of all claims, costs, damages, and loss suffered as a result of any breach by the Client hereof.

RISK AND PROPERTY IN RELATION TO TESTS

9.1 The risk of loss or damage to the Sample shall remain with the Client at all times.
 9.2 Samples of a stable nature shall be retained for up to thirty days from the date of their receipt and then destroyed, or at the Company's option stored at the Client's expense unless otherwise agreed to in writing. Samples shall be returned to the Client only if prior instructions in writing in that regard are received by the Company and the Client shall be charged for all costs associated therewith (including carriage).
 9.3 Where Samples are, in the sole opinion of the Company, too bulky or too unstable to allow long storage time, it will be at the absolute discretion of the Company as to the length of time such Samples are kept.
 9.4 All copyright in chart records and other scientific, documentary or primary data produced during any Test and in all Reports or Test Certificates shall belong to and remain the property of the Company.
 9.5 The Report or Test Certificate refers only to the particular Samples, units, materials, instruments and/or other subject used and referred to in it, and is limited by the Tests and/or analyses performed. Similar articles may not be of like quality, and other testing and/or analysis programs might be desirable and might give different results.
 9.6 Client agrees to indemnify and hold the Indemnified Persons harmless from and against any liabilities or costs incurred by or threatened against any of the Indemnified Persons resulting from the Client's breach of its obligations in the Contract and for any disposal costs, fines or penalties incurred or imposed on any of the Indemnified Persons relating to the return or disposal of hazardous materials as defined by the law of the jurisdiction of the location of the Company's facility that is performing the Services. Client warrants that it will at all times comply with all applicable laws, including, without limitation, environmental laws, rules and regulations of appropriate governmental agencies and authorities in the jurisdiction of the location of the Company's facility that is performing the Services. If the Client intends to deliver a Sample that contains a hazardous substance, hazardous chemical, or the transmission, use or disposal of the same is regulated by the law ("Hazardous Material"), the Client agrees to notify the Company in advance of the delivery and agrees to comply with all applicable laws, rules and regulations respecting the delivery and handling of the same.

OWNERSHIP, COPYRIGHT AND PATENTS IN RELATION TO SERVICES

10.1 Ownership and copyright in the Report and any other Reports, results, or information established or collated by the Company in the course of the Services shall remain with the Company until the Client has discharged all its obligations under the Contract, including payment of the Price, whereupon the title, ownership and copyright shall pass to the Client unless the Company is forced to part with any such results, reports or information of any nature to any body exercising its statutory or judicial powers.

10.2 The Client hereby warrants that it will not use the Report or any other reports, results, or information supplied by the Company for the purposes of advertisement or publication to third parties. Any such issue of the Report or other reports, results or information is permitted under the Contract only with the prior written consent of the Company who shall have the right to increase the Price where it consents to such advertisement and/or publication. If consent is granted the Report or Test Certificate may be reproduced only in its entirety.

10.3 Unless otherwise indicated by the Client in writing, it is understood that electronic transfer (including fax, Email, etc.) of the Quotation, Report or Test Certificate by the Company is acceptable.

SUB-CONTRACTING

11. The Company shall be entitled, in its absolute discretion, to sub-contract the whole or any part of the Services and/or Test.

TERMINATION

12.1 The Client shall not terminate the Contract without the written consent of the Company which may be subject to such terms as in the Company's absolute discretion including compensating the Company for all loss it may suffer as a result of termination.

12.2 The Company may terminate the Contract and any other contract with the Client forthwith, without prejudice to any other right or remedy available to the Company and without the Company incurring any liability to the Client, in the following circumstances:

- (i) if the Client shall commit a breach of any terms of the Contract or any other contract with the Company unless such breach is capable of remedy and the Client has failed to comply with a notice regarding remedy within the period specified in the said notice;
- (ii) without prejudice to the foregoing, if the Client fails to make payment of the Price within the specified time;
- (iii) the Client makes any voluntary arrangement with its creditors or becomes subject to an administrator order or (being individual or firm) becomes bankrupt or insolvent or subject to any bankruptcy or insolvency law or proceedings or (being a company) goes into liquidation (otherwise than for the purposes of amalgamation or reconstruction);
- (iv) an encumbrancer takes possession, or a receiver is appointed, of any of the property or assets of the Client;
- (v) the Client ceases, or threatens to cease, to carry on business; or,
- (vi) the Company reasonably believes that any of the events mentioned at (iii), (iv), and (v) above is about to occur in relation to the Client and notifies the Client accordingly.

12.3 Other than as required by law, upon termination of the Contract by the Company pursuant to Section 12.2, the Company shall have no further obligations under the Contract including any obligation to perform the Services or any Test; provided, however, that, notwithstanding such termination: (i) the Client shall remain liable to the Company for all amounts payable to the Company under the Contract in respect of the period up to and including the effective date of such termination; and (ii) the provisions of Sections 1, 7.1, 7.2, 7.4, 7.5, 8.1, 8.2, 8.3, 8.4, 9.1, 9.4, 9.6, 10.1, 10.2, 12.1, 12.2, 12.3 and Sections 13 to 17 (inclusive) shall survive any such termination. In the event of termination of the Contract under Section 12.2, or in the event that the Company institutes legal proceedings for the enforcement or interpretation of the provisions of this Contract, the Client agrees to reimburse the Indemnified Persons for the Indemnified Persons' reasonable legal fees and court costs incurred in connection therewith.

NOTICES

13. All notices to be served by one party on the other shall be deemed duly delivered or served five business days after posting if posted by first class or airmail pre-paid

post to the address of the other party or on the same day as transmission if sent by facsimile.

GENERAL

14. In the event of one or more of the provisions of these Conditions being held by a competent authority to be invalid, illegal, or unenforceable, in whole or in part, the validity, legality or enforceability of the remaining provisions of these Conditions and the remainder of the provision in question shall not be affected thereby.

15. No waiver by the Company of any breach of the Contract by the Client shall be considered as a waiver of any subsequent breach of the same or any other provision.

16. The construction, validity, and performance of the Contract shall be governed by and enforced under the laws of the Province (or State if in the United States of America) in which the Company's facility issuing the Report or Test Certificate is located. Any claims made against the Company will only be heard in the jurisdiction in which the Company's facility issuing the Report or Test Certificate is located.

17. The Contract contains the entire agreement between the Company and the Client with respect to the subject matter hereof and supersedes all prior agreements, Quotations, Proposals and other communications relating to the subject matter hereof and there are no other understandings or agreements, verbal or otherwise, in relation hereto between the Company and the Client. This Contract will control over any contradictory or inconsistent provision contained in any document provided by the Client unless expressly referred to in the Contract.

18. ADDITIONAL REQUIREMENTS ON COMPANY'S WEBSITE.

(a) The Company's Internet website, <http://www.exova.ca>, may contain specific additional requirements for certain items covered by this Contract, including specifications, procedures, directions and/or instructions. Any such requirements are hereby incorporated by reference herein, shall be deemed to form part of this Contract and are binding on the Client and the Company. The Company may periodically update such requirements by posting revisions thereto on its Internet website and, in such event, the Company will notify the Client of such updates and revisions. In the event of any inconsistency between this Contract and the Company's Internet website, the terms of this Contract shall prevail, unless the requirements specified on such website expressly provide otherwise.

(b) The Company may modify these Conditions with respect to future Quotations, Proposals and purchase orders, at any time and from time to time, by posting revised terms and conditions to its Internet website, at <http://www.exova.ca> and such revised Conditions shall apply to all Quotations, Proposals and purchase orders issued thereafter.

THE COMPANY MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, EXCEPT AS IS EXPRESSLY SET FORTH HEREIN, ALL SUCH OTHER WARRANTIES BEING HEREBY DISCLAIMED.

 Company

 Signature

 Name

 Title

 Date

By signing Client agrees to the above Terms and Conditions.