

NOVA FILTRATION TECHNOLOGIES INC.  
TERMS AND CONDITIONS OF SALE

**ORDER ACCEPTANCE:** Nova Filtration Technologies Inc. ("Nova", "the Company") reserves the right to accept or reject customer orders. The terms and conditions contained herein shall be considered a part of all accepted orders and accepted purchase orders. All orders must be in writing.

**PRICES:** Nova products are sold at prices in effect at time of shipment, FOB shipping point. Quotations are valid for 30 days unless otherwise stated in writing and are subject to withdrawal or change at any time prior to acceptance by Nova. Freight expense and delivery charges shall be the responsibility of the customer. Nova reserves the right to change prices without notice. A temporary surcharge may be levied on all orders to offset unstable or fluctuating US exchange rates.

**DELIVERY:** Stock items distributed by Nova are generally shipped within 1 to 3 days after receipt of the order. Bulk orders or items not in stock will require additional lead-time. Non-stock items ordered on a rush basis may be subject to additional inbound freight charges. Orders will not be processed on overdue or delinquent accounts until satisfactory payments are made or other arrangements can be made with our Credit Department. Items out of stock are automatically backordered and shipped when the goods are received. Nova is not responsible for delays due to conditions beyond the control of the Company.

**SHIPPING:** Most items are shipped best way, collect via courier, truck or common carrier. Packing for international shipments may be at an additional charge. Customer preferences for carriers or special freight requirements should be provided to Nova in writing at the time the order is placed. Tailgate charges are always to the account of the customer.

**BILLING:** Credit approval and a clear account status are necessary before goods will be shipped on existing accounts. Standard account terms are net 30 days from date of shipment. Delinquent accounts will be shipped COD until brought current or the order may be put on hold. Past due accounts are subject to a 2% per month service charge on the unpaid balance. Minimum billing is \$25.00 CAD. Unless previously arranged, all shipments to points out of Canada or the USA shall be paid in full by Irrevocable Letter of Credit or direct wire transfer, before goods will be shipped.

**CREDIT APPROVAL:** New customers will be required to complete and return a credit application supplied by the Company. This will require correspondence between Nova and the bank and the references supplied by the applicant. Account approval and approval timing will be determined by responses from named references. In the interim, all orders will be shipped COD (cash, Visa, MasterCard or certified cheque). All goods shall remain the property of Nova until the Company receives full payment. Goods shall be the responsibility of the buyer once shipped from the Nova warehouse.

**DAMAGED MERCHANDISE:** Nova is not responsible for damage or loss to a shipment by a freight carrier. Check shipments for damage before acceptance or note on freight bill "subject to inspection for concealed damage." Consignee is responsible for filing a claim with the freight carrier for any and all damage or loss.

**ERRORS AND RETURNED GOODS:** Nova will correct all errors made by the Company at no charge to the customer. The Company will accept for return only new, standard and current product, in its original packaging, with a copy of the original invoice. Prior to return, customers **must** obtain a Return Goods Authorization Number (RGA#) from Nova. All returned goods will be subject to a minimum 25% restocking fee or \$35.00, whichever is greater. Return goods are to be returned freight prepaid. **Special or custom order goods are not returnable.** The Company will assess the value of the returned merchandise and will issue credit to the customer's account.

**DEFECTIVE GOODS AND WARRANTIES:** Nova extends to its customers all warranties for its products provided by the original equipment manufacturer. Warranty liability is limited to the cost of the original equipment only and excludes all other costs. If the warranty is denied on the returned product, all related charges will be the responsibility of the customer.

**CANCELLATIONS OR CHANGED ORDERS:** The Company will make every attempt to accommodate customer order changes and additions without multiple shipments. Orders are processed as they are received. Once orders are entered or sent to the shipping floor, add-ons or changes may delay final shipment. Cancellations and/or changes are subject to acceptance by Nova.

**SPECIAL ORDER GOODS POLICY:** 'Special Order Goods' refer to those items that are not part of the normal inventory plan ('non-stock' merchandise) and are purchased by the company for specific customer orders. The receipt of a non-refundable deposit with the customer's purchase order is required before the goods will be ordered by Nova.

**OTHER TERMS AND CONDITIONS:** The laws of the Province of Ontario shall govern the rights and duties of Nova and its customers.