



QCOMP STANDARD TERMS AND CONDITIONS OF SALE

1. ACCEPTANCE

Any acceptance by QComp Technologies Inc. (herein after "Seller") of Buyer's order is hereby expressly made conditional on Buyer's assent to any additional or different terms and conditions contained herein, and all sales of, and charges for the goods and services listed herein shall be, in the case of conflict between the terms and conditions of Buyer and Seller, interpreted and governed exclusively by the terms and conditions contained herein. Seller shall not be bound by any terms and conditions proposed by Buyer, whether in its purchase order or otherwise, which are additional to or different from the terms and conditions set forth herein, unless and only if accepted in writing by a principal officer of the Seller or its designated representative.

2. QUOTATIONS AND PUBLISHED PRICES

Quotations automatically expire forty-five (45) days from the date issued unless otherwise stated in the quotation and are subject to change or withdrawal at any time. Seller reserves the right to unilaterally extend such quotation up to 6 months from date of issuance. Prices shown on the published price lists and other published literature issued by the Seller are not unconditional offers to sell, and are subject to change without notice. The Seller's prices for equipment, unless otherwise specified, do not include an allowance for installation and/or final on site adjustment.

3. TAXES

Unless otherwise specified on the face hereof, Seller's prices do not include any U.S.A. taxes, duties or other charges levied on or incurred by Seller in connection with the Products or this transaction. Such taxes, duties or charges will be added to invoice prices in those instances in which Seller is required to collect them from Buyer; provided, however, that if Seller does not collect any such taxes, duties, or other charges and is later asked or required to pay such amounts to any authority, Buyer will make such payment to Seller or, if requested by Seller, directly to such authority.

Any taxes, duties, fees, charges or assessments of any nature levied in connection with the Products or this transaction by any governmental authority outside the U.S.A. shall be Buyer's responsibility and shall be paid directly by Buyer. If Seller is required by law or otherwise to pay any such amounts either in the first instance or because Buyer has failed to pay the same, Seller shall be reimbursed by Buyer for such amounts paid by Seller.

4. TERMS OF PAYMENT

All payments shall be made in U.S. dollars, available in the United States. Payment obligations shall be discharged only when the full amount invoiced by Seller has been received by Seller or credited to Seller's bank account. Except as otherwise provided herein, terms are cash net 30 days from date of invoice. Amounts past due shall bear interest at the rate of 1.5% per month (or fraction thereof) or maximum contract rate permitted by law. Buyer agrees to pay all of Seller's reasonable attorney fees, collection fees, and costs arising out of any breach by Buyer of this or any subsequent agreement.

Unless otherwise stated on the face thereof, payment will be net cash 30 days from date of invoice, or, at Seller's option, payment shall be made through a confirmed irrevocable letter of credit to be established within 10 days after Seller accepts Buyer's order in favor of Seller by Buyer at Buyer's expense, including confirmation charges. The letter of credit shall be confirmed by an accredited bank acceptable to Seller organized under the laws of, and located in, the United States. The letter of credit, which shall be in form and substance acceptable to Seller, shall be maintained in sufficient amounts and for the period necessary to meet all payment obligations to Seller. The letter of credit shall permit partial deliveries and shall provide for pro rata payments upon presentation of Seller's invoice and certificate of shipment.

5. DELIVERY

Delivery dates indicated in the contract documents are approximate and are based on prompt receipt by Seller of all necessary information regarding the equipment covered by the contract. Any delivery and/or performance date for the goods or services acknowledged by Seller is a desired and not a promised date. The Seller will use reasonable efforts to meet the indicated delivery dates, but will not be responsible for its failure to do so. In the event of any delay in the delivery caused by the Buyer, or by any causes beyond Seller's reasonable control, the Seller will store and handle all items ordered by Buyer and will invoice the Buyer for the unpaid portion of the contract price, plus storage, insurance and handling charges, on or after the date which the equipment is ready for delivery, payable in full within 30 days from invoice date. Risk of loss or damage shall pass to the Buyer upon the date that goods are ready for delivery, notwithstanding non-delivery caused by Buyer or by any causes beyond Seller's reasonable control. Title to the goods shall pass to Buyer upon delivery to carrier at the facility of Seller.

6. SHIPPING AND HANDLING

Shipments are Ex-Works point of shipment. Shipping/handling will be prepaid and billed as a separate item on the equipment invoice on the basis of Seller's current shipping/handling policies.

7. GOVERNMENTAL AUTHORIZATIONS

Buyer shall be responsible for, and bear the expenses of, the timely obtaining of any required authorization for the shipment or delivery of the Products or performance of other services, such as import licenses or exchange permits, consular and custom declarations or any other governmental authorization. If the Products are to be exported, Seller's obligations are subject to Seller's ability to obtain export licenses and other necessary papers within a reasonable period; however, Buyer shall bear the expenses of obtaining such authorizations.

If any required governmental authorization is denied, revoked, restricted, or not renewed, Buyer shall pay Seller in full for all completed Products, raw materials which cannot be returned for credit to Seller's suppliers, work in process, and any services performed by Seller in connection with the Products prior to receipt of notice by Seller that such authorization is denied, revoked, restricted, or not renewed.

All shipments of the Products shall at all times be subject to the export control laws and regulations of the United States government as in effect from time to time. Buyer shall not make any disposition, by way of trans-shipment, re-export, diversion, disclosure or otherwise, of the Products or any goods or items which incorporate the Products or any information or technology disclosed in connection with this Agreement, except as such laws and regulations may expressly permit.



8. CHANGES

Buyer may, with the prior written consent of the Seller, make changes in the specifications for goods or services covered by any contract created hereunder. In such event, the contract price and delivery date may be adjusted. The Seller may be entitled to payment for reasonable profit plus costs and expenses incurred by it for work and materials rendered unnecessary as a result of such changes and for work and materials required to effect said changes.

9. CONTINGENCIES

Neither Seller nor any authorized representative of Seller shall be liable for any default in performance if caused, directly or indirectly, by acts of God; war, force or arms; fire; the elements; riot; labor disputes; controversies; sabotage; civil commotion; accidents; any governmental action, prohibition or regulation; delay in transportation facilities; shortage or breakdown of or inability to obtain or non-arrival of any labor, material or equipment used in the manufacture of the Products; failure of any party to perform any contract with Seller relative to the production of the Products; or from any cause whatsoever beyond Seller's control, whether or not such cause be similar or dissimilar to those enumerated. Seller shall notify Buyer of the happening of any such contingency and of the contemplated effect thereof on the manufacture and delivery of the Products.

10. CANCELLATION

Undelivered parts of any order may be canceled by the Buyer only with the prior written approval of the Seller.

In the event of any cancellation of any order by either party, the Buyer shall pay to the Seller the reasonable costs and expenses (including engineering expenses and all commitments to its suppliers and subcontractors) incurred by the Seller prior to receipt of notice of such cancellations, plus the Seller's usual rate of profit for similar work.

11. SECURITY INTEREST

Buyer shall, and hereby does, grant to Seller a security interest in and lien upon, all goods whether in the possession of Seller, Buyer, or common carrier, for the purposes of securing the payment of all amounts due and owing by Buyer to Seller. Buyer agrees to execute any and all documents which Seller may reasonably deem necessary to create and/or perfect such security interest.

12. DEFAULT

Upon Buyer's failure to pay or otherwise perform in accordance with the terms of this agreement, all amounts owing to Seller by Buyer shall, at Seller's option and without notice, become immediately due and payable. In addition to all the rights and remedies of a seller of goods and/or a secured party under the Wisconsin Uniform Commercial Code and other applicable law, Seller may require Buyer to assemble the goods for shipment to a place designated by Seller which is reasonably convenient to both parties and/or may take immediate possession of the goods or render them unusable and sell, lease or otherwise dispose of them in whole or in part, at public or private sale, on or off the premises of Buyer. Upon default, Buyer shall be liable for all costs of collection and realization on the collateral, including Seller's attorney's fees if placed in the hands of an attorney for collection.

13. WARRANTIES

Seller expressly warrants the equipment and/or system manufactured by it as set forth herein. The following shall constitute the sole and exclusive remedies of Buyer for any breach by Seller of its warranties hereunder.

A. EQUIPMENT WARRANTY

Seller warrants (1) that the equipment will conform in all material respects to the specifications; (2) that Buyer shall receive good and marketable title to the Equipment upon delivery, free of any liens or claims; and (3) that the equipment will be free of defects in workmanship and materials for the lesser of 18 months after shipment to Buyer or 12 months after start up by Buyer. The foregoing warranty shall not apply if the Equipment or component parts have been subjected to abuse, misuse, accident, alteration or neglect. Expendable items such as belts and knives or any component which is subject to normal wear are not included in the warranty. The aforementioned warranties shall insure to Buyer, its successors and assigns. SELLER'S SOLE AND EXCLUSIVE LIABILITY AND BUYER'S SOLE AND EXCLUSIVE REMEDY for any claim based on the foregoing warranty shall be, at Seller's option, to repair or replace (with new or functionally equivalent and compatible parts) equipment found not to conform to such warranty during the warranty period. Labor is not included.

B. SYSTEM WARRANTY

Seller warrants that, for a period of 12 months the lesser of 18 months after shipment to Buyer or 12 months after start up by Buyer of the System, the System will operate in substantial conformity to the System specifications. Seller, at its own expense, upon receipt of written notice from Buyer within such period, will make all adjustments and modifications necessary to cause the System to so operate. Any onsite labor is not included but can be purchased by Seller at standard rates. Seller warrants that upon delivery of the System to Buyer and payment in full of the purchase price, Buyer shall obtain good and marketable title to the System, free from any lien or encumbrance. Seller warrants that it has the right and authority to grant Buyer the right and license in any computer programs included in the system.

C. INFRINGEMENT

Seller shall defend, at its sole cost and expense, any action or proceeding brought against Buyer that is based upon a claim that the Equipment, the System, or any component thereof infringes any patent, copyright, or trade secret of a third party in the United States. In the event the Equipment, the System, or any component thereof, is determined in any such action or proceeding to infringe any such patent, copyright, or trade secret, Seller may, at its option, replace the infringing Equipment, System, or component with a non-infringing substitute, modify the infringing Equipment, System, or component to eliminate the infringement, or secure the right for Buyer to continue use of the infringing Equipment, System, or component without replacement or modification. Buyer shall accept any such replacement, modification or resolution, provided it does not have a substantial adverse effect on operation of the Equipment or System. Buyer agrees to cooperate as may be reasonably required and at its own expense to provide such assistance as Seller may request in resolving the infringement.



D. LIMITATION

EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, SELLER DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, RESPECTING THE EQUIPMENT AND THE SYSTEM AND ALL SERVICES PROVIDED UNDER THIS AGREEMENT, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. In no event shall Seller be liable for any indirect, exemplary, incidental, or consequential damages arising out of or otherwise relating to the use or performance of the Equipment or the System, even if Seller has been advised of the possibility or likelihood of such damages.

14. INTELLECTUAL PROPERTY OWNERSHIP AND USE

Seller shall have and retain ownership of all intellectual property rights in any Equipment, System or component thereof, including patent, copyright and trade secret, developed solely by an employee or employees of Seller. Seller hereby grants to Buyer a non-exclusive right and license to use Seller's intellectual property rights with the Equipment or System, but not otherwise. Intellectual property rights developed jointly by employees of Seller and Buyer shall be jointly owned and each party shall have the non-exclusive, royalty-free, right and license to use jointly owned intellectual property in its business, but not otherwise.

15. DISCLOSURE TO THIRD PARTIES

The Buyer agrees to allow the Seller (with seller's permission) to publish magazine articles with the intent to promote the Seller's machinery or system including the identity of the buyer. The seller agrees to not disclose any confidential information, which is the property of the buyer in such disclosures.

16. REGULATORY LAWS AND STANDARDS

The Seller takes reasonable steps to keep its products in conformity with various nationally recognized standards and such regulations which may affect its products; however, the Seller recognizes that its products are utilized in many regulated applications and that from time to time, standards and regulations are in conflict with each other.

The Seller makes no warranty or representation that its products will conform to any federal, state or local laws, ordinances, regulations, codes or standards, except as particularly agreed upon for compliance in writing as a part of the contract between Buyer and Seller. The Seller prices do not include the cost of any related inspections or permits or inspection fees.

17. NONWAIVER

Seller's failure to enforce or declare a default with respect to any particular term or condition of this agreement shall not be considered a waiver of Seller's right to enforce or declare a default with respect to any other term or condition or, on a subsequent occasion, with respect to that particular term or condition.

18. APPLICABLE LAWS

The rights and obligations of Buyer and Seller under this Agreement shall not be governed by the provisions of the 1980 U. N. Convention on Contracts for the International Sale of Goods; rather such rights and obligations shall be governed by, and this document shall be construed in accordance with, the laws of the State of Wisconsin, U.S.A., except that the conflict of laws provisions thereof shall not be applicable. Whenever there is a conflict of laws, the laws of the State of Wisconsin, U.S.A. shall prevail.

19. INTERPRETATION

Should any term or provision contained in the contract contravene or be invalid under applicable law, the contract shall not fail by reason thereof but shall be construed in the same manner as if such term or provision had not appeared therein.

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20. INTERNATIONAL SHIPMENTS; EXPORTS.

As a service to Buyer, Seller shall, upon Buyer's request and Seller's written agreement, arrange for export shipment on behalf of Buyer, but Seller's actions shall not relieve Buyer of its responsibilities hereunder. Buyer shall pay or reimburse Seller for all fees and expenses incurred by Seller in connection therewith. In performing such services for Buyer, Seller shall comply with any reasonable instructions of Buyer or, in the absence thereof, shall act according to its own business judgment; provided, however, that Seller shall not be liable in any event for any claim asserted by Buyer relating to Seller's performance of such services.

The following terms and conditions shall apply to sales of products to be shipped to destinations outside the United States and shall supercede any conflicting provisions of Sections 1 through 19 hereof:

(a) Shipping Terms. Whenever the term F.O.B. is used above, it shall be replaced by F.C.A. (as such term is defined in the International Chamber of Commerce INCOTERMS - 2000 Edition).

(b) Governing Language. The governing language of this Agreement shall be English, and all written communications related hereto shall be in English.

(c) Dispute Resolution. All disputes arising in connection with this Agreement shall be finally settled under the Rules of Conciliation and Arbitration of the International Chamber of Commerce by three arbitrators appointed in accordance with such Rules, and the arbitration proceedings shall be in the English language only, and shall take place in Milwaukee, Wisconsin, USA, provided, however, that in the case of shipments to Canada, any litigation or dispute resolution against Seller can be initiated only in state or federal court in Milwaukee, Wisconsin.

21. ENTIRE AGREEMENT

If the Products covered hereby are being sold pursuant to any other written agreement between the parties signed by Seller, the terms and conditions of this document are intended to be in addition to and not in lieu of, the terms and conditions set forth in such agreement. In the event of any inconsistency between these terms and conditions and terms of such other agreement, the terms of such other agreement shall govern to the extent of the inconsistency. Buyer's order shall be deemed to be based upon all the terms and conditions hereof notwithstanding the fact that such order sets forth additional or contrary terms or conditions. No acknowledgment by Seller of, or reference by Seller to, or performance by Seller under, any order of Buyer shall be deemed to be an acceptance by Seller of any additional or contrary terms or conditions set forth in such order. This document may only be modified in a writing signed by one of Seller's officers or authorized representatives.