

Document Title TERMS AND CONDITIONS		Document # SPC-000004	IMW INDUSTRIES LTD.
Document Owner Sales & Marketing	Issue Date (yyyy/mm/dd) 2018/07/06	Rev.B	Page 1 of 2

Interpretation:

These terms & conditions, together with IMW's (IMW INDUSTRIES LTD. dba Clean Energy Compression) quotation, govern the sale of product to customer. If there is any conflict between IMW's quotation and these terms & conditions, IMW's quotation shall govern. If there are multiple quotations or revisions, then the most recent quotation or revision shall govern. Any purchase order or other document issued by customer shall be confirmation only of customer's acceptance of IMW's quotation and these terms & conditions. The terms & conditions attached to any purchase order or other document issued by customer shall not apply.

Shipping, title and risk:

Shipping shall be ex-works of IMW manufacturing facilities, unless otherwise specified in IMW's quotation. Title and risk of loss and damage shall pass from IMW to customer upon delivery of product by IMW to the carrier, unless otherwise specified in IMW's quotation.

Price:

All prices are in US Dollars, unless otherwise specified in IMW's quotation. The price specified in IMW's quotation is valid for that shipment of product only. The price specified in IMW's quotation is valid for 30 days unless otherwise specified.

Delivery dates:

Delivery dates are estimates only and are subject to IMW's production schedule at the time of confirmation of sale.

Taxes and duties:

The price of product(s) exclude all taxes, duties and fees (including without limitation any goods and services tax, sales tax, excise tax, import duty and customs brokerage fees), whether levied against IMW or customer. All such taxes, duties and fees are for the customer's account. If any such taxes, duties or fees are paid by IMW, they shall be specified separately in IMW's invoice.

Cancellation and associated charges:

If customer cancels the order prior to delivery, customer shall pay all costs of research & development, all costs of certification, all costs of custom design and fabrication, and all costs of non-returnable materials, plus a 30% restocking charge for all returnable materials. Customer agrees that such charges are a genuine pre-estimate of damages and are not a penalty.

IMW reserves the right to cancel the project if payment is overdue beyond 14 days of the invoice due date per the milestone payment schedule, as identified and agreed upon at the commencement of the project. Customer may be subject to storage fees if receipt of equipment is delayed by customer.

Inspection: Customer shall inspect goods as soon as possible after arrival at destination and shall provide written notice to IMW of any shortage or apparent damage within 10 days of arrival at destination.

Limitation of liability:

The liability of IMW for any claims of customer (whether in contract or in tort, including negligence) relating in any way to the manufacture, sale, delivery and use of any product shall not under any circumstances exceed the price of that product. IMW shall not under any circumstances have any liability to customer for any damage to customer's equipment or products or for any special, consequential or punitive damages.

Force Majeure:

IMW shall not be in breach of its obligations where the failure to perform or the delay in performing is due, in whole or in part, to Force Majeure. Force Majeure means any event beyond the control of IMW, including but not limited to: (a) lightning, storms, earthquakes, floods and other acts of god; (b) fires, explosions, breakdowns of machinery or equipment and other accidents and disturbances; (c) vandalism, riots and other civil disturbances; (d) war (declared or undeclared), terrorism, sabotage and other acts of the public enemy; (e) sanctions, embargos, export controls or any other governmental restriction; (f) acts or omissions of any government or governmental body or agency; (g) strikes, lockouts, work stoppages and other labour disturbances; (h) inability to obtain or delay in obtaining necessary materials, supplies, components or utilities on commercially reasonable terms; (i) any default or delay by a supplier, shipper, carrier or other third party; and (j) any other event beyond the control of IMW. If performance by IMW will be delayed due to Force Majeure for more than 90 days, then either party may upon giving written notice to the other party cancel the order, without liability.

Termination:

This Agreement may be terminated at any time by either Party, with or without cause, by giving at least ninety (90) calendar days' written notice to the other Party.

IMW may, in its sole discretion, terminate this Proposal, immediately upon written notice, upon the happening of any of the following events:

- a) The Customer becoming insolvent or being unable to pay its debts as they generally become due;

- b) The Customer making an assignment in bankruptcy; or
- c) A receiver or trustee of the Customer being appointed, provided such appointment is not vacated within thirty days from the date of such appointment. IMW may terminate this Proposal immediately upon written notice if the Customer breaches any of its agreements, obligations, warranties or representations set out in this Agreement and shall have failed to remedy such breach within 20 calendar days of receiving written notice of such breach from IMW.

Indemnification:

Except to the extent that liabilities arise from IMW or its employees negligence or willful misconduct, the Customer agrees to indemnify, defend, and protect IMW and its officers, directors, agents, and employees from and against, and hold IMW and its officers, directors, agents and employees harmless and free from any and all liability, loss, cost, expense, or obligation, including without limitation reasonable attorney's fees, court costs and other expenses, on account of or arising out of, injury to or death of any person or persons or damage to or loss of use of property, from whatever cause, occurring during the Term of this Proposal related in any way to the negligence or willful misconduct of the Customer, its officers, employees, or agents, or related to the Customers' breach of this Proposal.

Indemnification Procedure:

In the event any action is commenced or claim is made or threatened against IMW ("Indemnitee") as to which the Customer ("Indemnitor") is obligated to indemnify the Indemnitee or hold it harmless, Indemnitee shall promptly notify Indemnitor of such event and Indemnitor shall assume the defense of, and may settle, that part of any such claim or action commenced or made against Indemnitee which relates to Indemnitor's indemnification and Indemnitor may take such other steps as reasonable necessary to protect itself. Indemnitor shall not be liable to Indemnitee on account of any settlement of any such claim or litigation affected without Indemnitor's consent. The right of Indemnitor to assume the defense of any action shall be limited to that part of the action commenced against Indemnitee which relates to Indemnitor's obligation of indemnification and holding harmless.

Confidentiality:

The Customer acknowledges that during the Term of this Proposal it will have access to and become acquainted with various trade secrets, inventions, innovations, processes, information, records and specifications, documents, software, computer disks, tapes or printouts, prototypes, samples and specifications owned or licensed by IMW and its subsidiaries or IMW's customers and/or used by IMW in connection with the operation of its business including, without limitation, IMW's business and product processes, methods, customer lists, accounts and procedures ("Confidential Information"). Confidential Information also includes such information disclosed or made available to IMW by third parties, including, without limitation, customers and potential customers of IMW. Confidential Information does not, however, include any information which:

- i. is publicly known and is generally available in the public domain prior to the time of disclosure to the Customer;
- ii. becomes publicly known and generally available after disclosure to the Customer through no action of the Customer;
- iii. at the time of disclosure was known to the Customer, without confidentiality restrictions;
- iv. is independently developed by the Customer without use of the Confidential Information; or is disclosed pursuant to any judicial or governmental order, requirement or request, provided that the Customer gave IMW (or, as the case may be, IMW's customer or potential customer) sufficient prior notice to contest any such order, requirement or request.

The Customer agrees that it, and any of its principals, directors, officers or employees will not disclose any of the Confidential Information, directly or indirectly to any third parties, or use any of the Confidential Information in any manner contrary to this Proposal, either during the Term of this Proposal or at any time thereafter. The Customer agrees that it shall not cause, nor shall its principals, directors, officers or employees to, reverse engineer, disassemble or decompile any prototype, software or other tangible object that embodies Confidential Information. The customer shall take reasonable steps to protect Confidential Information as well as at least those measures with respect to Confidential Information that the customer takes to protect its own Confidential Information of like importance, and in no event shall the customer exercise less than a reasonable degree of care, and the customer shall insure that its principals, officers, directors and employees who have access to Confidential Information are aware of and agree, in writing, to adhere to the provisions hereof, or substantially similar provisions, prior to any disclosure of Confidential Information to such employees. All Confidential Information including, without limitation, files, records, documents, blueprints, specifications, information, letters, notes, media lists, original artwork/creative, notebooks, and similar items relating to the business of IMW, whether prepared by the Customer or otherwise coming into its possession, shall remain the exclusive property of IMW. The Customer shall not make or retain any copies of Confidential Information without IMW's prior written permission. Upon the expiration or earlier termination of this Proposal, or whenever requested by IMW, the Customer shall immediately deliver to IMW all Confidential Information in its possession or under its control.

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The Customer further agrees that it will, at all times, preserve the confidential nature of its relationship to IMW.

The Customer agrees that any violation of this Agreement will cause irreparable injury to IMW, its customers or potential customers and that, in addition to all other remedies, IMW and each customer and potential customers (all of whom shall be deemed beneficiaries hereof) shall be entitled to obtain injunctive relief against any violation or threatened violation of the terms of this Section 15.

The Customer shall at all times defend, indemnify and hold harmless IMW, its officers and employees from and against any loss, cost, damage or expense and from and against any claims of any kind, including any suits or judgments, whether brought in contract or tort or in law or in equity, by any third party alleging that IMW is liable to said third party, including, without limitation, any customer or potential customer, in any way whatsoever by reason of the Customer's breach or alleged breach of this Section.

Conflicts of Interest:

The Customer represents that it is free to enter into this Proposal, and that this engagement does not violate the terms of any agreement between the Customer and any third party. Further, the Customer, in rendering its duties shall not utilize any invention, discovery, development, improvement, innovation, or trade secret in which it does not have a proprietary interest.

General Provisions:

This Proposal shall be interpreted in accordance with and governed by the laws of the Province of British Columbia and Canada. Any and all claims or actions arising out of the terms of or relating to this Proposal shall be filed in and heard by the courts with jurisdiction to hear such suits located in the Province of British Columbia, Canada and each Party consents to the jurisdiction of such courts and irrevocably waives any objections thereto. If any provision of this Proposal is found by a court to be illegal or unenforceable, the provision in question will be considered deleted and other provisions of this Proposal shall remain valid and enforceable to the fullest extent permitted by law, but only if, and to the extent, such enforcement would not materially and adversely alter the Parties' essential objectives as expressed herein. If either Party shall overlook, excuse, condone or suffer any default, breach or non-observance by the other Party of any obligation hereunder, this shall not operate as a waiver of the obligation in respect to any continuing or subsequent default, breach or non-observance, and no such waiver shall be implied but shall only be effective if in writing.

In performing its obligations under this Proposal, each Party shall comply with all applicable laws and regulations (except to the extent that such compliance would itself constitute a violation of applicable laws) and neither Party shall take any action on behalf of the other that would cause the other to be in violation of applicable law. Each Party shall conduct its dealing with the other Party and with IMW's customers and potential customers in a manner consistent with the highest ethical standards of business conduct. Without limiting the generality of the foregoing, each Party agrees not to make, directly or indirectly, any offer, payment, promise to pay or authorization of the payment of any money, gift or other thing of value to any person who is an official, agent, employee or representative of any government or political party or to any other person while knowing or having reason to know that all or any portion of such money, gift or other thing of value would or will be offered, given or promised, directly or indirectly, to any such official, agent, employee, representative or person.

Simultaneously with the execution of this Proposal, the Customer shall execute the Foreign Corrupt Practices Act Policy Certification of Third Parties and Intermediaries. The terms and conditions of the FCPA Certification are hereby incorporated into this Agreement by reference and shall remain in full force and effect during the Term of this Proposal.

The terms of this Proposal shall be held in strictest confidence by both Parties provided, however, that either Party may disclose such terms to (a) its attorneys and accountants who are obligated not to disclose them to others and (b) appropriate authorities pursuant to a valid subpoena or judicial order.

No agency, partnership, or joint venture is created by this Proposal, unless otherwise agreed.

Where any provision herein allows IMW unilaterally to make a decision or take an action, unless otherwise provided in such provision, IMW shall be entitled to make such decision or take such action in its sole and absolute discretion.

The headings used in this Proposal are for ease of reference only and shall not be considered in the interpretation of the terms and conditions contained herein.

Although the masculine gender is used in pronouns throughout this Proposal, these shall also be interpreted to include females and corporations where applicable.

It is agreed by the Parties that this Proposal and the attached exhibits, incorporated by reference herein, shall contain the entire understanding between the Parties and shall supersede such previous correspondence and shall be the only document to govern their relationship.

Where either of the Parties to this Proposal wants to give written notice to the other, he shall mail and fax, personally deliver or deliver by overnight carrier such notice to the address and fax number shown on the Proposal Summary below.

Notice is deemed to be received at the time of delivery or fax transmission.