



WARRANTY POLICY

of

APRICUS SOLAR CO., LTD.

This Warranty Policy (this "Policy") is issued by Apricus Solar Co., Ltd. ("Apricus") and applies to the various products and components of products manufactured by Apricus discussed in this Policy ("Products") that are purchased by original end users of the Products (each, a "Customer") from authorized Apricus Distributors and Dealers for water heating installations in Canada and the United States of America.

Installation Procedure

Upon installation of Products by an authorized Apricus installer, a installation record form must be completed setting forth the installers name and contact details, date of installation, serial numbers of the Products, and a basic description of the installation. The installer must retain one copy, and second copy must be left with the end user as a record of the installation.

Warranties

Apricus provides the various warranties set forth in this Policy subject to the terms, conditions, and exclusions provided for herein.

I. Copper Header Pipe of Solar Collector.

Apricus hereby warrants and represents that, for ten (10) years from the date of the delivery of any solar collector to the Customer, the copper header pipe in the solar collector shall be free from manufacturing defects resulting in leakage of heat transfer liquid when operating within specified allowable pressure limits and using approved liquids, provided that this warranty excludes:

- a) Leakage from any connection to header inlet or outlet;
- b) Defects resulting from exposure of the manifold header pipe to pressure exceeding 0.8Mpa/ 8bar/116psi;
- c) Defects resulting from exposure to flow rates exceeding 15 L/min / 3.96 US gpm;
- d) Defects resulting from the freezing of the liquid contained in the manifold header pipe;
- e) Leakage of the manifold header pipe as a clear result of metallic corrosion and not structural braze failure;
- f) Poor heat transfer, excessive pressure drop, or blockage of header as a result of scale formation; and
- g) Installation of more than two end port manifolds in series without flexible connections at least once every second manifold.

For a Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must provide to Apricus a dated photograph of the solar collector showing a water trail from the solar collector, as well as a dated photograph of the serial plate;
- b) Customer must quote the serial number when making a warranty claim;

- c) The solar collector that is the subject of the warranty claim must have been entered into the online installation database within thirty (30) days of the date of the completion of installation; and
- d) The solar collector that is the subject of the warranty claim must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

II. Evacuated Tubes of Solar Collector.

Apricus hereby warrants and represents that the evacuated tubes in any solar collector shall be free from manufacturing defects resulting in spontaneous loss of vacuum for ten (10) years from the date of the delivery of such solar collector to the Customer, provided that this warranty excludes loss of vacuum due to breakage during transport, handling or after installation and that gradual reduction in vacuum levels over time are normal and accordingly are not defects in violation of this warranty.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must provide to Apricus a dated photograph of the tube still installed in the solar collector showing white bottom end and no structural tube damage; and
- b) The evacuated tubes must be removed and kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

III. Heat Pipe of Solar Collector.

Apricus hereby warrants and represents that the heat pipe in any solar collector shall be free from manufacturing defects resulting in loss of heat transfer properties for ten (10) years from the date of the delivery of the solar collector to the Customer. A loss of heat transfer properties can be tested by slowly pouring 1L/ 2pints of hot (>60°C / 141°F) water down the bottom ¼ length of the heat pipe, whereupon the heat pipe condenser should become too hot to hold (>50°C / 122°F) in less than thirty (30) seconds. The heat pipe, however, may need to be shaken several times to ensure no blockage of powder has occurred.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must provide to Apricus photographs of faulty heat pipes, if applicable, showing the point of failure or rupture;
- b) The heat pipe must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

IV. Solar Conversion Valve.

Apricus hereby warrants and represents that any solar conversion valve shall be free from manufacturing defects resulting in structural failure causing leakage or an inability to use the solar conversion valve due to poorly formed thread for ten (10) years from the date of delivery of the solar conversion valve to a Customer, provided that this warranty excludes:

- a) Failure due to exposure to external forces such as being dropped, or excessive torque forces on the threaded parts;
- b) Leakage as a clear result of metallic corrosion and not structural failure; and
- c) Leakage from threaded connections.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must provide to Apricus a dated photograph of the solar conversion valve providing reasonable visual evidence of the defect; and
- b) The solar conversion valve must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

V. Heat Dissipater.

Apricus hereby warrants and represents that, for ten (10) years from the date of delivery of any heat dissipater to a Customer, the heat dissipater shall be free from manufacturing defects resulting in leakage of heat transfer liquid when operating within specified allowable pressure limits (not including leakage from connection to pipe inlet or outlet), provide that this warranty excludes:

- a) Failure due to exposure to external forces such as being dropped, or excessive torque forces on the threaded parts;
- b) Failure as a result of the copper pipe being subjected to pressure exceeding 0.8Mpa/8bar/116psi;
- c) Failure as a result of the copper pipe being subjected to flow rates exceeding 15L/min;
- d) Failure as a result of liquid freezing in the copper pipe;
- e) Leakage of the copper pipe as a clear result of metallic corrosion and not structural braze failure; and
- f) Poor heat transfer, excessive pressure drop, or blockage of header occurring as a result of scale formation.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must provide to Apricus a dated photograph of the heat dissipater providing reasonable visual evidence of the defect; and
- b) The heat dissipater must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

VI. Solar Controllers.

Apricus hereby warrants and represents that, for twelve (12) months from the date of delivery of a solar controller to a Customer, the solar controller shall be free from manufacturing defects resulting in incorrect operation or indeed failure of the unit, provide that this warranty excludes:

- a) Failure due to power surge or lightning damage.
- b) Failure due to water ingress (direct or due to high humidity)
- b) Failure due to overheating.
- c) Failure of the LCD screen if exposed to direct sunlight.
- d) Failure due to use of non-Apricus supplied sensors (thermistors)
- e) Failure where sensors are submerged in water/liquid
- f) Failure of sensors when exposed to excessive temperatures.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must return the faulty controller to the installing Dealer, or Distributor if purchased directly.
- b) The faulty controller must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

VII. Pump Stations.

Apricus hereby warrants and represents that, for two (2) years from the date of delivery of a pump station to a Customer, the pump station shall be free from manufacturing defects resulting in incorrect operation or indeed failure of the unit, provide that this warranty excludes:

- a) Leakage from any connection to the pump station.
- b) Defects resulting from exposure to pressure exceeding 0.8Mpa/8bar/116psi;
- c) Defects resulting from the freezing of the liquid contained in pump station;
- d) Leakage or failure of the of the pump station as a clear result of metallic corrosion and not structural failure;

- e) Poor heat transfer, excessive pressure drop, or blockage of flow paths as a result of scale formation; and
- f) Installation of more than 120 Apricus evacuated tubes per pump station.

For Customer to receive any remedies in connection with a breach of this warranty, the following conditions must be met:

- a) Customer must receive confirmation of the fault by an approved Apricus representative.
- b) The pump station must be kept in storage for no less than ninety (90) days and made available for inspection by Apricus or its designee upon the request of Apricus.

Qualifications regarding Warranty

The warranties of the various Products and components thereof set forth above in this Policy shall not apply if:

- a) Breaches of warranty result (i) from any use of a Product for any purpose other than its ordinary purpose, as well as any neglect, accident, or ordinary wear and tear; or (ii) from damage from transport, shipping, handling, or any act of God or other Force Majeure;
- b) Breaches of warranty result from internal freezing of pipes and;
- c) Breaches of warranty result from installation that is not in accordance with (i) Apricus's installation and operation manual in effect on the date when the Product is sold to the Customer, including, without limitation, any misaligned or non-leveled frame; or (ii) instructions and/or all relevant standards, codes of practice, electrical wiring and safety regulations and any regional authority regulations;
- d) A solar collector is damaged because of the failure of mounting brackets, fasteners or, nails, straps or other components for solar collector mounting that are either not supplied by Apricus or not fastened according to the instructions supplied by Apricus;
- e) A solar collector is damaged because of the failure to fasten it to structurally sound material, resulting in significant movement or vibration of the Product;
- f) Any component of the Solar Collector is damaged as a result of exposure to wind speeds exceeding 120mph / 190km/h, where wind speed is confirmed by reputable third party weather reports.
- e) The Product is exposed to environmental conditions or mechanical forces that exceed the levels that component materials can be reasonably expected to withstand;
- f) The defective part, accessory, or component of the Product was not manufactured by Apricus, or Apricus' OEM suppliers.
- g) The Product is opened, serial tag removed or defaced, or its structure is altered in any way;
- h) If any maintenance or repair on the Product is completed by un-authorized persons;
- i) The Product is relocated from its original point of installation;
- j) When installed in a system using a glycol based heat transfer liquid and the solar collector is left exposed to daily sunlight without hot water usage or effective heat dissipation, such that the collector dry stagnates, with the exception of stagnation due to system component failure or power outage, where the system failure is remedied within 48 hours of occurring, and;
- k) The solar collector is left dry (no liquid circulation) and exposed to daily sunlight (not covered) for a period of time exceeding 14 consecutive days.

Remedies for Breach of Warranty

A Customer will notify the Apricus Dealer or Distributor from whom it purchased a Product promptly in writing of any alleged defect in that Product. The Dealer or Distributor will investigate the defect to determine if it is covered by the warranty and report its findings to the Apricus Distributor that sold the Product to the Dealer (in the case of a Dealer) and to Apricus (in all cases). Based upon such review, Apricus will have the right in its sole and absolute discretion to determine whether or not the defect violates the applicable warranty. **CUSTOMER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO ANY BREACH OF ANY WARRANTY (AS DETERMINED BY APRICUS IN ITS SOLE DISCRETION) BY A PRODUCT DURING THE APPLICABLE WARRANTY PERIOD WILL BE THE REPAIR OR REPLACEMENT OF THE PRODUCT BY A DESIGNEE OF**

APRICUS OR, IN APRICUS'S SOLE DISCRETION A REFUND OF THE PURCHASE PRICE OF THE PRODUCT TO THE CUSTOMER. These remedies will be provided within a reasonable amount of time and without additional charge. Apricus will not be responsible for any costs or expenses associated with the investigation or analysis of an alleged defect or any repair charges for service to the Products that is not covered hereby. Apricus's total liability to Customer with respect to any Product shall be limited to Customer's purchase price for the Product. **APRICUS WILL NOT BE LIABLE TO ANY PARTY, INCLUDING THE CUSTOMER, FOR ANY CONSEQUENTIAL, EXEMPLARY, INCIDENTAL, INDIRECT, LIQUIDATED, PUNITIVE, SPECIAL, SPECULATIVE OR OTHER SIMILAR DAMAGES, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES TO PROPERTY OR COST OF REPLACEMENT GOODS, RESULTING FROM ANY BREACH OF WARRANTY BY A PRODUCT OR ANY PRODUCT DEFECT.** This paragraph sets forth a Customer's sole and exclusive remedy with respect to any Product, and a Customer shall not have any other remedy or remedies at law, in equity, or otherwise.

No Other Warranties

EXCEPT TO THE EXTENT EXPRESSLY PROVIDED FOR IN THIS POLICY, APRICUS HEREBY EXPRESSLY DISCLAIMS AND EXCLUDES ANY AND ALL REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN OR ORAL, WHETHER EXPRESS OR IMPLIED, WHETHER ARISING BY CONTRACT, AT LAW, IN EQUITY, BY STRICT LIABILITY, OR OTHERWISE, WITH RESPECT TO THE PRODUCTS, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY, ANY WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY AGAINST REDHIBITORY DEFECTS, AND ANY WARRANTY AGAINST INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS UNDER THE LAWS OF ANY JURISDICTION, INCLUDING, WITHOUT LIMITATION, ANY PATENTS, TRADEMARKS, OR COPYRIGHTS.