



SCORE ENERGY PRODUCTS INC.
9821-41 Avenue
Edmonton, AB
Canada T6E 0A2

GENERAL TERMS & CONDITIONS OF SALE

1. TERMS

The standard terms and conditions of sale ("Terms of Sale") set forth below apply to all sales by Score Energy Products Inc. (herein referred to as "Score Energy") except to the extent that such Terms of Sale have been expressly altered or modified in writing by Score Energy. Any terms or conditions contained in any form of purchase order, which conflict in any way with the Terms of Sale stated herein and in Score Energy's quotation and acknowledgement, are hereby void and irrespective of the materiality of any such terms or conditions, are excluded from any agreement with the customer, unless Score Energy has expressly agreed in writing, or expressly agrees in writing prior to the customer's acceptance of the goods, to the inclusion of such terms and conditions in the Terms of Sale. In the event of a conflict between these Terms of Sale and those of the customer, the Terms of Sale of Score Energy will prevail.

When an invoice is issued and the goods are shipped in response to a purchase order by the customer, such an issuance and shipment does not constitute an acceptance of the terms of the purchase order but rather the Terms of Sale stated herein shall govern such purchase and sale. The customer's assent to the Terms of Sale stated herein shall be conclusively evidenced by: (i) any written or oral assent by the customer of the Terms of Sale or (ii) the customer's receipt of the goods covered hereby together with its failure to object to any term or condition of the Term of Sale within ten (10) days after receiving such goods.

2. STANDARD VALVES

Standard valves are defined as 3" thru to 36" ANSI 150, 3" thru to 24" ANSI 300, and 6" thru to 12" ANSI 600, in A216 Gr. WCB steel or A351 Gr. CF8M Stainless construction.

3. PRICES

- A. Minimum order value is \$100.00 net.
- B. Unless otherwise expressly agreed in writing signed by Score Energy, goods, which are to be released for immediate shipment, are invoiced at the price in effect at the

time the quotation was accepted by the customer. Authorized Representative discounts will be agreed in advance.

- C. Unless otherwise expressly agreed in writing signed by Score Energy, all certificates, reports, certified drawings and additional documentation will be an extra charge.
- D. Except as otherwise specifically provided, prices are Ex-works Score Energy's Edmonton plant. List prices and discounts are subject to change without notice.
- E. All goods sold, unless otherwise expressly agreed in writing, signed by Score Energy, will be supplied to factory standard for testing, tagging, shipping preparation and warranty.

4. FREIGHT CHARGES

Freight charges are entirely the responsibility of the customer

5. PAYMENT TERMS

Net thirty (30) days from the date of shipment, subject to credit approval.

6. TAXES

Any tax, public charge, tariff or duty assessed, levied or imposed upon Score Energy by reason of the manufacture, sale or delivery of any goods ordered by the customer shall be added to the price for such goods and shall be paid by the customer, including (without limitation) GST or any Province or State tax.

7. DELIVERY

All shipments by Score Energy are Ex Works Score Energy's plant and all risk of loss with respect to any goods shall pass to the customer when such goods are delivered to the carrier at the plant. Claims of lost or damaged products in transit shall be filed by the customer directly with the carrier. Although Score Energy attempts to ship all goods within the time of delivery stated in its quotation, it does not guarantee to do so. The time of delivery quoted is based on Score energy's past judgment in accordance with conditions prevailing on the quotation date and is subject to confirmation or modification at any time prior to the customer's acceptance of or assent to the quotation and may be extended after acceptance to compensate for other sales commitments made by Score Energy prior to acceptance. The quoted time delivery commences when Score Energy receives acceptance or assent to its quotation, or in case of specially manufactured goods, when Score Energy receives authorization to proceed with fabrication of the goods, and after Score Energy and the customer agree on the complete specifications, and drawings are approved (if drawing approval is required) by Score Energy.

8. CONTINGENCIES

In addition to the foregoing, Score Energy shall not be liable for any delay or failure to manufacture or deliver any or all the goods ordered by the customer or for any failure to perform any obligation required to be performed by Score Energy under the Terms of Sale stated herein if such delay or non-delivery is caused, or if performance of the obligation is made impractical or commercially unreasonable by;

- A. Any fire, explosion, earthquake, windstorm, accident, breakdown, strike, lock out, other labour troubles, flood, drought, embargo, war, riot, act of God or of the public enemy, action or request of any government authority or agency,
- B. Delay or failure of carriers or contracts; equipment breakdown; inability to obtain or shortages of necessary labour, raw materials, operation materials, plant equipment, manufacturing facilities or tools or materials required for maintenance and repair or
- C. Other contingency, delay, failure or cause beyond the control of Score Energy, irrespective of whether such contingency is specified herein or is presently occurring or anticipated.

In the event of the occurrence of any contingency described in this paragraph, the time of delivery stated in the quotation shall be extended, at a minimum, by a period equal to the time lost by reason of such occurrence. During any period of shortage described herein, Score Energy may, in its sole discretion, prorate its supply of goods among all of its customers in such manner as may be deemed equitable.

9. WARRANTY

A) Provisions

Score Energy warrants that, for a reasonable period of time, not to exceed one year from the date of shipment, the goods sold hereunder will be free of defects of workmanship or material under proper and normal storage and use; provided, however, that Score Energy only warrants its goods when they are used in the service and manner recommended; provided further, that if goods sold by Score Energy are modified or otherwise altered at any place other than the point of original manufacture of such goods, the warranty described in this paragraph shall be null and void. Should any failure to conform to the foregoing warranty appear within a reasonable period of time, not to exceed one year from the date of shipment, Score Energy, at its option, shall repair the defective goods, ship replacement goods or refund the purchase price of the defective goods. Any warranty terms other than

those contained herein made by Score Energy in connection with the resale of any of the goods covered hereby, constitutes an agreement between the customer and such vendor of end-user and shall not be binding upon Score Energy nor shall it obligate Score Energy to anything not contained herein. The foregoing remedy shall constitute the customer's sole and exclusively remedy and a fulfillment of all of Score Energy's liability with respect to the goods.

To invoke the warranty set forth above, the customer must submit proof of the defect satisfactory to Score Energy and, at the customer's expense, return the defective goods to Score Energy's Edmonton factory. In no event shall Score energy be responsible for any claimed defect in the goods sold hereunder unless written notice identifying such defect shall be received by Score energy within one year after Score Energy's shipment of the defective goods.

B) Limitation

There are no warranties other than those contained in these Terms of Sale. There are no warranties to any other person other than the customer. The warranty provided to the customer in paragraph 9A) hereof is exclusive and is in lieu of all other warranties and the remedy provided in paragraph 9A) is the sole and exclusive remedy and all other remedies are expressly excluded. Neither any representation or affirmation made, nor any drawing or sample shown, shall be deemed to create any warranty, course of dealing, usage of trade or standard of performance. All warranties, other than the warranty provided in paragraph 9A) hereof, whether express or implied or arising by operation of law, course of dealing, usage of trade or otherwise, are excluded. There are no implied warranties of merchantability or fitness for a particular purpose.

10. GENERAL LIMITATION OF LIABILITY

The customer's remedies against Score Energy and Score Energy's liability shall be limited in accordance with this paragraph. Score Energy's liability for any and all losses and damages to the customer or any other person resulting from any breach of any warranty by which Score Energy may be bound, any damaged or defective goods supplied by Score Energy (regardless of whether such defect is discovered or latent), delay or failure to manufacture or deliver, breach of agreement or any other cause whatsoever, including Score Energy's negligence, shall in no event exceed the purchase price of the particular goods with respect to which defects, losses or damages are claimed or, at the election of Score Energy, the repair or replacement of defective or damaged goods. In no event shall Score Energy or any of Score energy's vendees or any end-users be entitled to recover any consequential or incidental damages, including, but not limited to any commercial loss or injury to any person, whether or not said damages are caused, in whole or in part, by any delay, failure, non-performance or negligence or Score Energy, or the breach by Score Energy of any of the Terms of Sale

contained herein or any other term or condition made a part of the contract between Score Energy and the customer.

Without limitation to the foregoing, in no event shall Score Energy be liable to the customer, any of the customer's vendees or any end-user for (i) the loss of use of Score Energy's goods, or (ii) the loss of use of, or damage to, any other good, product, process, plant, equipment or facilities of the customer or the end-user, whether partially or wholly due to defects in material, workmanship and/or design of Score Energy's goods or (iii) for the costs or expenses incurred in or attendant to the removal or reinstallation of any goods supplied by Score Energy for any damage to other property or equipment resulting from any such removal or reinstallation.

Score Energy shall not be liable for damages which result from improper storage, improper handling or improper installation of its goods. Score Energy will not assume any expense or liability caused by or relating to repairs unless specifically provided in writing signed by Score Energy. Score Energy does not warrant and shall not be liable for equipment and accessories supplied by other manufacturers.

11. CUSTOMER'S ACCEPTANCE

Unless otherwise specifically provided, the customer shall conduct a reasonable and complete inspection of the goods delivered hereunder after the customer's actual receipt of goods. All claims must fully specify any damages to goods, errors, defects (other than warranty defects), shortages, rejections, or any other non-conformity in any shipment of goods delivered to the customer and shall be made in writing to Score Energy within a period of ten (10) days after the customer's receipt of such goods. The customer's failure to make such claims within the time period shall constitute an irrevocable acceptance for the particular shipment and an admission that such shipment fully complies with all terms, conditions and specifications contained in the terms of sale for such goods. Each shipment of goods shall be accepted or rejected in its entirety and the customer's acceptance of part of the goods tendered in a shipment shall constitute acceptance of all of the goods tendered in that shipment unless otherwise consented to by Score Energy in writing. If the customer accepts a shipment, such acceptance shall be final and irrevocable and no attempted revocation of such acceptance shall be effective.

12. CURE

If a shipment of goods is rejected by the customer, Score Energy shall have the right to cure in any reasonable manner the error, defect, shortage or other non-conformity giving rise to the rejection.

13. RESTOCKING/CANCELLATION POLICY

- A. Standard stock items (i.e. not special order parts, see section 2 definition)
 - i. Prior to job order release – 10% of invoice price, \$60 CAD minimum per item/valve.
 - ii. Released to stores – 20% of invoice price
 - iii. Released to assembly – 30% of invoice price
 - iv. Released to Shipping or shipped – 40% of invoice price plus refurbishment costs as applicable (Note 1)
 - v. After installation – 100% for valve and valve components

- B. Standard stock items with few special order parts
 - i. Prior to job order release – 10% of invoice price, \$60 CAD minimum per item/valve
 - ii. Job order release – 20% of invoice price
 - iii. Special parts ordered – cancellation charges from vendor plus item charge (ii)
 - iv. Released to assembly – 30% of invoice price plus cancellation/return charges from vendor
 - v. Released to Shipping or shipped – 40% of invoice price plus cancellation/return charges from vendor, plus refurbishment costs as applicable (Note 1)
 - vi. After installation – 100% for valve and valve components

- C. Special/Non-standard stock items (e.g. special material of special construction or design)
 - i. Prior to job order release – 10% of invoice price, \$60 CAD minimum per item/valve
 - ii. Job order release (including engineering) – 25% of invoice price
 - iii. Released to Purchasing/Manufacturing – cancellation charges from vendor plus fixture, jigging, pattern costs, plus item charge(ii)
 - iv. Released to assembly – 95% of invoice price
 - v. Release to Shipping or beyond – 100% of invoice price

Note 1. All returned items will be inspected upon receipt. Any costs incurred to return the item to like new condition to be paid by customer.