

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

“Authorized Representative” refers to an employee or authorized agent of Score Valves authorized to make a determination or representation on behalf of Score Valves.

“Buyer” refers to the company, partnership, entity, individual, or person who is purchasing the Products and/or Services from Score Valves, as identified in the Sales Order.

“Ex Works” (EXW) all Products are sold and delivered Ex Works meaning the Products shall be made available for pickup from Score Valves’ Edmonton, AB facility, and, unless otherwise agreed in writing, the Buyer is responsible for paying any brokerage, freight, insurance and transportation cost.

“Products” refers to the valves and/or parts that will be purchased by the Buyer, as identified in the Sales Order.

“Purchaser Order” refers to the document supplied by the Buyer, to Score Valves, to initiate the process of purchasing Products and/or Services from Score Valves.

“Sales Order” refers to the document supplied by Score Valves to the Buyer, which fully describes the Products and/or Services that will be provided by Score Valves subject to the Terms together with the corresponding cost.

“Score Valves” refers to Score Energy Products Inc.

“Services” refers to any type of service provided by Score Valves and/or a service technician of Score Valves, as identified in the Sales Order.

“Terms” refers to the General Terms and Conditions as outlined herein.

2. TERMS

The Terms set forth herein, and as may be amended from time to time in writing without notice, apply to and govern all Products and/or Services provided by Score Valves except to the extent such Terms have been expressly altered or modified in writing by an Authorized Representative. By accessing or using Score Valves' website (www.scorevalves.com), or by requesting or purchasing any of Score Valve's Products and/or Services, the Buyer signifies that they have read, understood, and agreed to be bound by these Terms.

Any terms and conditions proposed by the Buyer or otherwise, which conflict in any way with the Terms stated herein or with any quotations and acknowledgements expressly agreed to by an Authorized Representative, are

therefore void and, irrespective of the materiality of any such terms and conditions, are excluded from any agreement between Score Valves and the Buyer. No action by Score Valves shall constitute acceptance of such other terms or conditions except when expressly agreed to in writing by an Authorized Representative. In the event of any conflict between these Terms and those of the Buyer, these Terms prevail.

3. CONFIDENTIALITY

All non-public, confidential or proprietary information of Score Valves, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Score Valves to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as “confidential” in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Score Valves in writing. Upon the request from Score Valves, Buyer shall promptly return all documents and other materials received from Score Valves and destroy any electronic copies of same. Score Valves shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

4. PRICING

- A. List prices and discounts are subject to change without notice.
- B. Minimum order value is \$100.00 CDN (applicable tax not included).
- C. Unless otherwise expressly agreed to in writing and signed by an Authorized Representative:
 - i. products which are to be released for immediate shipment are invoiced at the price outlined by the Sales Order at the time that the Sales Order was provided to the Buyer. Any discounts offered by an Authorized Representative must be agreed to in writing prior to issuance of the Sales Order;
 - ii. all certificates, reports, certified drawings, and additional documentation required or otherwise requested by the Buyer will be provided at an additional charge;
 - iii. prices are Ex Works. For more information on delivery, please refer to Section 8.
 - iv. all Products sold will be supplied per Score Valves standard quality control documents for testing, tagging, shipping preparation, and warranty.
 - v. any changes made to the Sales Order after initial release to the

Buyer, whether initiated by Score Valves or the Buyer, are subject to Sales Order revision and as such do not take effect until a revised Sales Order is issued by an Authorized Representative formally incorporating those changes.

5. PAYMENT TERMS AND CREDIT LIMITS

The Buyer shall pay to Score Valves the price of the Products and/or Services provided within thirty (30) days from the date of Score Valves' invoice, unless otherwise agreed to in writing by an Authorized Representative of Score Valves' credit department prior to the delivery of said Products and/or Services. In the event that Score Valves and the Buyer have agreed to a milestone payment schedule, the payment specified in the milestone payment schedule shall be paid on or before the date that each milestone is achieved. Score Valves may, in its sole discretion, charge interest on overdue payments, with interest commencing on the day on which the amount became payable and calculated at the interest rate of 1.5% per month compounded monthly per annum.

Buyer credit terms and credit limits shall be determined by a credit review undertaken by Score Valves. The terms outlined above are applicable to Buyer credit limits set by Score Valves. It is the Buyer's responsibility to have knowledge of their available credit when placing an order. To obtain a credit increase, Buyers may request a review of their account.

Payment terms are subject to change without notice based on the Buyer's current credit status.

6. PAYMENT METHODS

Score Valves accepts electronic fund transfers (EFT's), wires, cheques, bank draft, and credit card payments. However, an additional 5% administration charge will be added to any payment made by credit card.

7. TAXES AND TARIFFS

All applicable taxes and tariffs that are assessed, levied, or imposed upon Score Valves by reason of the manufacture, sale, or delivery of any Products ordered by the Buyer are the sole cost and responsibility of the Buyer. It is the sole responsibility of the Buyer, and not Score Valves, to understand how taxes and tariffs are applied in the particular circumstances of their transaction with Score Valves and to account for such costs.

When shipping goods internationally, it is important that the Buyer considers the effects of tariffs, taxes, and other clearance charges, in addition to the transportation cost, when determining a shipment's total cost, as all the foregoing are costs borne by the Buyer. Depending on the shipment content and the destination country, clearance charges could significantly impact the total shipment cost to the Buyer.

8. DELIVERY

Unless otherwise expressly agreed to in writing by an Authorized Representative and the Buyer, all shipments are Ex Works. As such, all risk of loss or damage associated with the shipment of any Products rest solely with the Buyer and any claims of lost or damaged products in transit shall be addressed by the Buyer directly with the carrier. The Buyer agrees to accept shipment when Products are ready to ship. If a Buyer has not collected the Products within thirty (30) day of Score Valves notifying the Buyer that the Products are available for pick up, storage fees at a rate of 2% per month shall apply unless otherwise agreed.

It is acknowledged and understood by the Buyer that any time of delivery quoted or communicated by Score Valves is an estimation only based on Score Valves' overall assessment of projected lead times at the time of quotation and therefore is subject to change or modification at any time and for any reason, including, but not limited to, unforeseen circumstances or circumstances outside of Score Valves' control. As such, it is understood and agreed that Score Valves bears no responsibility or liability for any costs incurred or resulting from a delay in the timing of delivery.

9. CONTINGENCIES

Score Valves shall not be liable for any delay or failure to manufacture or deliver any Product, or for the provision of any Service, or for any failure to perform any obligation required to be performed by Score Valves under the these Terms or otherwise, when, and to the extent, that the failure or performance is delayed or prevented by any cause beyond Score Valves reasonable control, including without limitation:

- A. Any fire, explosion, earthquake, windstorm, accident, breakdown, strike, lock out, other labour-related causes, flood, epidemic, pandemic, quarantine, drought, embargo, war, riot, act of God or of the public enemy, governmental requests, laws, regulations, orders, or actions, or the interruption of computer or telecommunications systems;
- B. Delay or failure of carriers or contracts, equipment breakdown, inability to obtain or shortages of necessary labour, raw materials, operational 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 Valves, irrespective of whether such contingency is specified herein or is presently occurring or anticipated.

In the event of the occurrence of any such contingency, 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 Valves may, in its sole unfettered discretion, prorate its supply of Products among all its Buyers in such manner as it may deem to be equitable.

10. LIMITED WARRANTY

A. Provisions

Score Valves warrants that, for a reasonable period of time, but not to exceed twelve (12) months from the date of shipment, the Products sold hereunder will be free of defects of workmanship or material under proper and normal storage and use; provided, however, that Score Valves only warrants its Products when they are used in the service and manner recommended. Score Valves, at its option, shall repair the defective Products, ship replacement Products, or refund the purchase price of the defective Products. If Products sold by Score Valves are modified or otherwise altered at any time or place other than the point of original manufacture of such Products, the warranty described herein shall be null and void.

Any warranty terms other than those contained herein made by Score Valves in connection with the Buyer's resale of any of the Products covered hereby, constitutes an agreement between the Buyer and such third party and shall not be binding upon Score Valves, nor shall it obligate Score Valves to any terms not contained herein. The foregoing remedy shall constitute the Buyer's sole and exclusive remedy and the fulfillment of all of Score Valves' liability with respect to the Products.

To invoke the warranty set forth above, the Buyer must submit proof of the defect satisfactory to Score Valves and, at the Buyer's expense, return the defective Products to Score Valves' Edmonton, AB facility. In no event shall Score Valves be held responsible for any claimed defect in the Products sold hereunder unless written notice identifying such defect is received by Score Valve's within twelve (12) months after Score Valves' shipment of the defective Products.

B. Limitation

There are no warranties other than those contained in these Terms. The limited warranty provided herein is granted to the Buyer only and is not transferrable. The warranty provided to the Buyer in paragraph 10 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 A, 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.

Products manufactured by a third party ("Third Party Product") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Products. Third Party Products are not covered by the warranty in Section 10(a). For the avoidance of doubt, SCORE VALVES MAKES NO REPRESENTATIONS, CONDITIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT, INCLUDING ANY (a) CONDITION OR WARRANTY OF MERCHANTABILITY; (b) CONDITION OR WARRANTY OF

FITNESS FOR A PARTICULAR PURPOSE; (c) CONDITION OR WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

11. GENERAL LIMITATION OF REMEDY AND LIABILITY

The Buyer's remedies against Score Valves and Score Valves' liability shall be limited in accordance with this paragraph. Score Valves' liability for any and all losses and damages to the Buyer or any other person resulting from any breach of any warranty by which Score Valves may be bound, any damaged or defective Products supplied by Score Valves (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 Valves' negligence, shall in no event exceed the purchase price of the particular Products with respect to which defects, losses, or damages are claimed, or at the election of Score Valves, the repair or replacement of defective or damaged Products.

In no event shall any of Score Valves' 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 of Score Valves, or the breach by Score Valves of any of the Terms contained herein or of any other related documents, regardless of the form of the claim or cause of action, whether based in term, contract, infringement, negligence, strict liability, other tort, or otherwise, made a part of the agreement between Score Valves and the Buyer.

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

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

12. BUYER'S ACCEPTANCE

The Buyer shall be responsible to conduct a reasonable and complete

inspection of the Products delivered per the Sales Order agreement and hereunder these Terms. All claims must fully specify any errors, shortages, rejections, or any other non-conformity of any Score Valves Products and shall be made in writing to Score Valves within a period of ten (10) days following delivery. The Buyer's failure to make such claims within ten (10) days shall constitute an irrevocable acceptance of the Products and an admission that such Products fully comply with all terms, conditions, and specifications contained in the Terms. Each shipment of Products shall be accepted or rejected in its entirety and the Buyer's acceptance of part of the Products tendered in a shipment shall constitute acceptance of all of the Products tendered in that shipment unless otherwise consented to in writing by an Authorized Representative. If the Buyer accepts a shipment, such acceptance shall be final and irrevocable, and no attempted revocation of such acceptance shall be effective.

13. CURE

If a shipment of Products is rejected by the Buyer, Score Valves shall have the right, at its sole discretion, to cure in any reasonable manner the error, defect, shortage, or other non-conformity giving rise to the rejection.

14. RESTOCKING AND CANCELLATION POLICY

In the event that a Buyer seeks to cancel an order, and should Score Valves be willing to accept such cancellation, the Buyer acknowledges and agrees that minimum charges (determined by the status of the order) are applicable as set out below:

A. Standard stock items (i.e., non-special order parts)

- i. Released to engineering (i.e. the engineering department of Score Valves has received the Product order for review):
 - The greater of 10% of invoice price or \$60 CAD minimum per item/valve.
- ii. Released to purchasing and/or production (i.e. Score Valves has begun to source the required components of the Product):
 - 20% of invoice price.
- iii. Released to shop floor (i.e. the component parts have been received, in whole or in part, and assembly of the Product has commenced):
 - 30% of invoice price.
- iv. Released to Shipping or shipped (i.e. the Product is fully assembled and ready for delivery, or has been delivered, but not installed):

- 40% of invoice price, plus refurbishment costs, as applicable (Note 1).

v. After installation, no refund is available.

B. Standard stock items with minimal special order parts (as determined by Score Valves)

i. Released to engineering (i.e. the engineering department of Score Valves has received the Product order for review):

- The greater of 10% of invoice price or \$60 CAD minimum per item/valve.

ii. Released to Purchasing and/or Production (i.e. Score Valves has begun to source the required components of the Product):

- 20% of invoice price.

iii. Special parts ordered:

- 20% of invoice price, plus all cancellation charges from third party vendor together with related costs.

vi. Released to shop floor (i.e. the component parts have been received, in whole or in part, and assembly of the Product has commenced):

- 30% of invoice price, plus cancellation/return charges from third party vendor together with related costs.

iv. Released to Shipping or shipped (i.e. the Product is fully assembled and ready for delivery, or has been delivered, but not installed):

- 40% of invoice price, plus cancellation/return charges from third party vendor together with related costs, plus refurbishment costs, as applicable (Note 1).

v. After installation, no refund is available.

C. Special/Non-standard stock items (e.g., special material, special construction, or special design as determined by Score Valves)

i. Released to Engineering (i.e. the engineering department of Score Valves has received the Product order for review):

- The greater of 10% of invoice price or \$60 CAD minimum per item/valve.

- ii. Released to Purchasing and/or Production (i.e. Score Valves has begun to source the required components of the Product):
 - 25% of invoice price.
- iii. Special/Non-standard parts ordered:
 - 25% of invoice price, plus cancellation charges from third party vendor together with related costs, plus fixture, jigging, pattern costs, etc.
- iv. Released to shop floor (i.e. the component parts have been received, in whole or in part, and assembly of the Product has commenced):
 - 95% of invoice price.
- v. Once released to shipping or shipped (i.e. the Product is fully assembled and ready for delivery, or has been delivered, but not installed), no refund is available.

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

15. SECURITY INTEREST

As a general and continuing security for the payment of any and all amounts owing by Buyer to Score Valves, wheresoever and howsoever incurred, whether direct or indirect, absolute or contingent and whether joint, several, joint and several, matured or not, extended or renewed, Buyer hereby grants to Score Valves a purchase money security interest in the Products. The security interest created by this Agreement shall attach to the Products, together with any and all parts, accessories, repairs, additions, replacements, accessions and equipment now or hereafter placed upon, in or attached thereto and any substitutions thereto or therefor and proceeds thereof or derived therefrom, immediately upon receipt or pickup of the Products by Buyer's or Buyer's carrier. The security hereby constituted is in addition to and not in substitution for any other securities or agreements now or hereafter held by Score Valves, and this security shall not merge in any other securities or agreements now or hereafter held by Score Valves.

16. RISK OF LOSS

Risk of loss passes to Buyer upon delivery of the Products at Score Valves. Title in the Products shall remain with Score Valves until the purchase price referred to in the Purchaser Order has been paid in full, at which time, provided Score Valves has not repossessed the collateral, title shall vest in Buyer.

17. INTELLECTUAL PROPERTY

All intellectual property rights in the Products including (i) all intellectual property rights in any blueprints, illustrations, drawings or other documentation provided by Score Valves to Buyer and (ii) any improvements made to any such intellectual property by either Score Valves or Buyer, will at all times remain with Score Valves.

18. GENERAL PROVISIONS

- A. **Notice.** Any notice, consent, waiver, approval, authorization or other communication to be delivered in connection with these Terms
- i. by us to you will be deemed to have been effectively and validly given if delivered or sent to any of the contact particulars then listed in your Account or otherwise provided to us; and
 - ii. by you to us will only be deemed to have been effectively and validly given if in writing and delivered or submitted to:

Office Manager
admin@scorevalves.com
9821 - 41 Avenue NW
Edmonton, AB T6E 0A2

except in the case of communications expressly permitted to be given in writing to such other address as may be specified by Score Valves.

- B. **Headings.** The section headings contained herein are included solely for convenience, and are not intended to be full or accurate descriptions of the content thereof, and shall not be considered part of this agreement nor used in any manner in determining the construction hereof or the intentions, express or implied, of any party hereto.
- C. **Severability.** Any term, condition or provision of these Terms, or portion thereof, which is, or shall be deemed to be, void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such voidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions, and provision of these Terms, and any such voidance, prohibition or unenforceability in any jurisdiction shall not *ipso facto* invalidate or render unenforceable such terms, conditions, or provisions in any other jurisdiction.
- D. **Governing Law.** These Terms and the terms and conditions in any Sales Order issued by an Authorized Representative shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of Province of Alberta excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction. The Parties hereby irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta and the Supreme Court of Canada.

- E. **Legal Relationship.** No term, condition or provision of these Terms or of any Sales Order or any other document are intended to create a joint venture, partnership, agency or any other similar relationship between Score Valves and the Buyer or any other party as the case may be.

- F. **Waiver.** No term, condition, or provision hereof shall be waived nor any breach hereof excused except in writing signed by Score Valves. No waiver of any provision of these Terms shall constitute a waiver of any other provision. No consent or waiver by Score Valves to any breach by the Buyer shall constitute a consent to, waiver of or excuse for any other breach. The failure of Score Valves to give notice to the Buyer, or to take any other steps in respect of, a breach or non-fulfilment of any provision of these Terms shall not constitute a waiver thereof. Acceptance of payment by Score Valves or the delivery of Products and/or Services to the Buyer after a breach or non-fulfilment of any term, condition, or provision of these Terms shall not constitute a waiver thereof.