



TERMS AND CONDITIONS OF SALE

Pricing:

The prices for Products sold under Agreement shall be as per Supplier's price list then currently in effect from time to time during the Term.

All prices are exclusive of all sales, use and excise taxes, and any other similar or dissimilar taxes, import or other duties, and charges of any kind imposed by any governmental authority on any amounts payable by Distributor under Agreement.

Distributor is responsible for all charges, costs, import and other duties, and taxes provided that Distributor is not responsible for any taxes imposed on, or regarding, Supplier's income, revenues, gross receipts, personnel or real or personal property or other assets.

Payments:

All invoices are payable within thirty (30) days of issuance.

Distributor shall pay interest on all late payments in at a variable rate per annum equal to two (2%) percentage points in excess of the prime rate in effect in USA from time to time, but not exceeding the highest rate permissible under applicable law. Interest shall accrue and be calculated (but not compounded) daily on the principal amount and interest thereon that remains unpaid on the basis of the actual number of days such amounts are outstanding in a year of 365 days (or 366 days in the case of a leap year) and interest shall be compounded and payable monthly in arrears.

Distributor shall perform its obligations under Agreement without setoff, deduction, recoupment, or withholding of any kind for amounts owed or payable by Supplier.

Progress payments are required on all orders over \$100,000.00 as listed below:

1. 20% upon approval of submittals.
2. 30% upon receipt of major equipment.
3. 50% NET 30 days after shipment.



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Discounts and exceptions:

1% discount on orders between \$5,000.00 & \$10,000.00 (before taxes and transport fees) will be granted to the customer if he pays 100% upfront when issuing the purchase order to Flo Fab.

2% discount on orders over \$10,000.00 (before taxes and transport fees) will be granted to the customer if he pays a deposit of 30% when issuing the purchase order to Flo Fab. The 2% discount will be applicable on the final payment of the complete balance of the invoice.

3% discount on orders over \$10,000.00 (before taxes and transport fees) will be granted to the customer if he pays 100% upfront when issuing the purchase order to Flo Fab.

The minimum order amount is \$250.00. If the order amount is less than \$250.00, the amount of \$250.00 + applicable taxes will be charged to the customer.

Any custom unit will require a 30% deposit before production. All "custom" parts require a 100% deposit before production.

Production:

Production of a pump or package order will start AFTER the reception of the approved workshop drawings.

Delivery:

All deliveries to Distributor are EX WORKS.

Shipping:

Unless otherwise agreed to in writing by the Parties, shipping and handling of Products shall be done in accordance with the Policies of Supplier. **REF. Annexe A.** Flo Fab inc. recognizes that costs and schedules are vital elements to your selection of your supplier for this project. We take these promises very seriously and have a track record of consistency in both areas. Due to the constantly changing events involving the COVID-19 pandemic, we reserve the right to a schedule extension arising from, or related to, any COVID-19 shutdowns, labor disruptions and/or other business interruptions. Neither Party is responsible for any delay or damages associated from such a delay while performing under any resulting Purchase Order to the extent the delay is caused by the COVID – 19 related events. In the event of associated volatility in costs from the time of this quotation, we reserve the right to adjust prices based on the costs at the time of purchase order or actual project execution and will provide the necessary details for your use.



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Exclusion:

Project management, installation, commissioning, and performance testing of Products are not included in the sale price of the Products. **REF. Annexe B.**

Title:

Supplier reserves title and ownership of any Product supplied to Distributor until full payment of same has been received by Supplier. To secure Distributor's prompt and complete payment and performance of any and all present and future indebtedness, obligations and liabilities of Distributor to Supplier, Distributor hereby grants Supplier a first-priority security interest, with priority over all other liens, claims, and encumbrances, in all inventory of Products purchased under Agreement, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. Distributor acknowledges that the security interest granted under this Section is a purchase-money security interest under the Uniform Commercial Code, as enacted by the applicable jurisdiction. Supplier may file a financing statement for such security interest, and Distributor shall execute such statements or other documentation necessary to perfect Supplier's security interest in such Products. Distributor also authorizes Supplier to execute, on Distributor's behalf, such statements or other documentation necessary to perfect Supplier's security interest in such Products. Supplier shall be entitled to all applicable rights and remedies of a secured party under applicable law. Distributor further agrees and acknowledges that the Canada Export Development Corporation (EDC) may have a security interest, perfected or not, in the Products and that EDC may exercise such rights on the Products under applicable law.

Returns:

Products may be returned with Supplier's written permission. Custom made Products cannot be returned. Transport and shipping fees for all returns of non-guaranteed Products shall be assumed by Distributor. Distributor shall attach the official return form (RMA) with all returned Products.

Inspection:

Distributor shall inspect the Products delivered immediately upon arrival of same at the destination and shall notify Supplier within five (5) working days upon delivery of any errors in number or defects in the Products. In case Distributor has not notified Supplier of an improper delivery, it shall be precluded from any claim connected therewith upon expiration of the five (5) working days deadline.



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Warranty:

One (1) year on Products which are not manufactured by Supplier;

Five (5) years on Products which constitute spare or replacement parts and are manufactured by Supplier; and

Eight (8) years on Products which are manufactured by Supplier and sold as a full unit to be installed at an end user.

Mechanical seals are excluded from warranty and subject to technical review and contractor good practices regarding flushing of piping.

Please take note that this warranty will be voided without notice if the start-up is not performed by a Flo Fab technician and/or a certified Flo Fab representative. **See Annexe C for rates.**

*TERMS & CONDITIONS USD DOLLARS for all customer except Canadian customers.

Manager's signature: _____

Date of signature: _____



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ANNEXE A

Shipping Policies of Supplier

Unless otherwise specified in writing (PO) and confirmed in the automatic order acknowledgement.

Orders are shipped in regular closed trucks. Additional fees can be charged for shipments requiring flatbed trucks or with tailgate. The goods are at the responsibility of the customer at the time of ready to ship notice. Please note that any additional fee resulting from waiting time or modification of the delivery will be the customer's responsibility and charge on invoice by Flo Fab.

Orders for parts and accessories are at the responsibility of the customer at the time of shipment. Please note all small courier carrier's liability for loss or damage is limited to US\$100.00. Extra insurance NEEDS to be requested by the customer at time of order. SHIPMENT in NORTH AMERICA is at the expense of the customer. The customer can provide a transport account number. If the information is not provided by the customer, Flo Fab will prepaid the delivery and charge the amount to the customer.

INTERNATIONAL parts or accessories orders must be taken care of by the client (Collect or Third Party).

Standard delivery in the MONTREAL area is included for orders over 5,000\$ CAD.

Standard transport for CANADA and USA orders less than \$5,000.00 must be taken care of by the client (Collect or Third Party). If the client asks Flo Fab to Prepaid the transport, the cost of transport + administration fee will be added to the final invoice.



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Standard transport for CANADA and USA orders over \$5,000.00 can be taken care of by the client (Collect or Third Party). If the client asks Flo Fab to Prepaid the transport, a transport fee will be add on the invoice depending of the North America Region.

East Region: A charge of 8% calculated on the total amount of the order will be add to the final invoice.

West Region: A charge of 10% calculated on the total amount of the order will be add to the final invoice.

Standard transport for INTERNATIONAL orders must be taken care by the client (Collect or Third Party). If the client asks Flo Fab to Prepaid the transport, the cost of transport to your freight forwarder + administration fee will be added to the final invoice. This may not apply to all territories.

A supplemental BASIC DOC fee of \$225.00 will be added to ANY BOND SHIPMENT shipped to your freight forwarder.

A supplemental fee of \$35.00 per pallet will be charged if you request the pallets fumigation service - Request for International orders by law. The total fee needs to be added to the purchase order.

A supplemental fee of \$325.00 per crates will be charged if you request the crates fumigation service - Request for international orders by law. The total fee needs to be added to the purchase order.

A supplemental fee of \$250.00 per wooden crate will be charged if the order had to be packaged and delivered in crates.

A supplemental fee will be charged for a delivery in remote area.



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ANNEXE B

Project management

Project management is not including in pricing of projects. Flo Fab includes a maximum of 6 calls without any additional fee. Over the 6 included calls, the customer will be charge as follow:

\$250 Per Hour Engineering

\$150 Per Hour Senior Technical

\$100 Per Hour Project Manager

Installation

Installation is not included and must be done as per the Supplier specifications. See **REF Annexe B.2** for the check list and requirements.

Commissioning

Flo Fab does not include any Commissioning Engineering on field services, See **REF Annexe C** for the rates, Terms and conditions for Design Engineer / Expert. A minimum of 1 week notice needs to be given to schedule Transportation and Accommodation.

Performance testing

Performance testing can be provided for an additional fee and shall be requested at the time of quotation.



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ANNEXE B.2

Installation Check List and Request for Commissioning Engineer

Flo Fab / Rep. Office:	Flo Fab Job No:
Address:	Customer Order No.
Customer:	Equipment Type:
Address:	
Model:	S.N. :

The following check list must be completed prior to Commissioning Engineer's Presence on site. Please mark in the appropriate box and add any necessary remarks in space provided.

- | | |
|---|---|
| <p>A. Flo Fab EQUIPMENT</p> <ol style="list-style-type: none"> 1. Equipment clean and undamaged. <input type="checkbox"/> 2. Equipment damaged (Attach report) <input type="checkbox"/> 3. Loose items available <input type="checkbox"/> 4. Unit placed on correctly set A.V. Ms <input type="checkbox"/> <p>B. WATER PIPING</p> <ol style="list-style-type: none"> 1. Piping installed in the whole system between pumps, chiller, boilers, cooling tower, cooling coils, tanks, etc. <input type="checkbox"/> 2. Strainers are to be installed as near as possible to the pump inlet with a minimum 40 mesh basket. <input type="checkbox"/> 3. Make-up and fill lines installed to system & operational. <input type="checkbox"/> 4. Binder type test points in addition to the pressure transducers and gauge connections installed in liquid lines. <input type="checkbox"/> 5. Dedicated water flow switch in pump leaving liquid line (all units, minimum Wired direct to pump control panel (**)) or PD Switch) <input type="checkbox"/> 6. All water piping checked for strain – piping should not spring when connections are broken at unit. <input type="checkbox"/> 7. Piping leak tested and flushed through bypass loop and strainers cleaned after flushing. Piping systems filled and trapped air vented. <input type="checkbox"/> <p>C. WATER FLOWRATE(*)</p> <ol style="list-style-type: none"> 1. Pump water flow rates available to meet pump design requirements. Note: Do not apply flow rates above Flo Fab design maximum. <input type="checkbox"/> <p>D. OTHER PIPING (Where required)</p> <p><input type="checkbox"/></p> | <p>E. ELECTRICAL WIRING</p> <ol style="list-style-type: none"> 1. Main & Control power supply available. <input type="checkbox"/> 2. Wiring completed from main power supply to starter. <input type="checkbox"/> 3. Wiring completed from starter to pump motor (If required). <input type="checkbox"/> 4. Fusing installed in accordance with Flo Fab instructions (DO NOT OPERATE PUMP MOTOR, FOR ANY REASON) <input type="checkbox"/> 5. All wiring and earthing fitted in accordance with relevant regulations. <input type="checkbox"/> 6. Incoming supply completed to Control center. <input type="checkbox"/> 7. External control wiring completed from Control Center to flow switch(s), pump motor starters, BMS, etc. in accordance with approved wiring diagram. NOTE: All control wiring to be screened cable as per Flo Fab instructions. <input type="checkbox"/> 8. Power available and wiring completed to liquid pumps starters and motors, and the rotation of each checked. <input type="checkbox"/> <p>F. SITE CONDITIONS</p> <ol style="list-style-type: none"> 1. Service available for testing equipment <input type="checkbox"/> 2. Sufficient load available for testing and operating unit <input type="checkbox"/> 3. Personnel available for final field wiring check <input type="checkbox"/> 4. Owners operating personnel available for instruction
NAMES: _____ <input type="checkbox"/> 5. Special Entry requirements, security or safety requirements YES/NO (Details if YES) <input type="checkbox"/> <p>G. WATER TREATMENT</p> <ol style="list-style-type: none"> 1. Treatment system in place for water <input type="checkbox"/> 2. Chilled water/Condenser water quality is satisfactory (*) <input type="checkbox"/> <p>H. COOLING TOWER (IF AVAILABLE)</p> <ol style="list-style-type: none"> 1. Fan Rotation check <input type="checkbox"/> 2. Cooling Tower sump in clean condition <input type="checkbox"/> |
|---|---|

GENERAL REMARKS:

*Flo Fab takes no responsibility for inadequate water flows, water quality, or water temperatures

*Do not install flow control orifice plate at the inlet of the pump.

**Flow switch should be installed on straight piping 5 times the pipe dia before and after the flow switch or as approved Flo Fab accepted drawings.

The work detailed above is, in progress and will be completed by

Failure to comply with the recommendations made within the installation, Operational & Maintenance Manual or the above will invalidate the equipment warranty.

With reference to the above contract, we are requesting the presence of a Flo Fab Commissioning Engineer at the job site and agree to meet all charges for aborted, prolonged or repeated site visits made through no fault of Flo Fab inc.

Please complete the above and send pictures of the piping arrangement and/or Balancing report available.



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Annexe C

Rates, Terms and Conditions for FIELD service & Technical Support

All services described or referred to herein are expressly conditioned upon the terms and conditions set forth below. Any order for or any statement of intent to purchase any such services or any direction to proceed with the work shall constitute assent to said rates, terms and conditions, and a representation that Purchaser is solvent. In the event of any conflict, inconsistency, or difference between said rates, terms and conditions and any purchase order, said rates, terms and conditions shall govern. Any additional or different rates, terms or conditions set forth in any communication from Purchaser are hereby objected to by Seller and shall not be effective or binding unless assented to in writing by an authorized representative of Seller. Hereinafter Seller shall be construed to be FloFab.

AS OF Nov 1, 2022

RATES, TERMS AND CONDITIONS NOTED HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE.

SECTION 1. RATES AND APPLICATIONS.

A. Rates for 8-hour day:

1. Onshore

- I. Field Service Technician \$2,190
- II. Design Engineer / Expert \$2,505

2. Offshore

- I. Field Service Technician \$2,730
- II. Design Engineer / Expert \$3,308

B. Add the following to service rates.

1. Transportation

- (i) Travel from home base to customer site will be billed at \$193.00 per hour, plus overtime as applicable.
- (ii) Daily travel at customer site will be billed at \$194.00 per hour.
- (iii) Travel in personal vehicle will be billed at the rate reflecting the current Internal Revenue Service automobile standard mileage reimbursement.

2. Airfare, lodging, rental car, telephone, laundry, and job-related expenses shall be charged at cost plus 15%. One personal call per day is allowed.

3. All rates apply from date of departure from base point to return to base point and from portal to portal at the Plant Site.

4. Stand-By Rate:

If the work extends from one week to the next, but no work is performed over the weekend, Purchaser shall, at its option, pay for the technician's roundtrip to base point including travel expenses, time and other expenses or retain the technician near the Plant Site and pay the technician's living expenses and straight time daily rates for each Saturday and Sunday not worked.

5. Equipment

- a. Special tooling and equipment will be proposed/ billed on a case-by-case basis.
- b. All consumable items provided and used (i.e. machining bits, welding rod, etc.) will be billed at cost plus 15%.

6. A minimum of eight (8) hours per day shall be charged.

C. Overtime

Seller shall charge work exceeding eight (8) hours per day Monday through Friday and all work on Saturday at the rate of one and onehalf (1-1/2) times the applicable rate. Seller shall charge travel on Saturday at the rate of one and one-half (1-1/2) times the applicable rate and any work or travel on Sunday or any nationally recognized Holiday at the rate of two (2) times the applicable rate. Technicians work a maximum of twelve (12) hours per day. Two technicians will be required for a double shift.

D. Minimum Billing

Purchaser shall incur a minimum charge consisting of one eight (8) hour day plus transportation, lodging, and job-related telephone expenses.

E. Cancellation/Delays

In the event Services are scheduled for specific date(s) and then cancelled or delayed with less than three (3) days written notice to the Seller, Purchaser shall incur a minimum charge of \$1,780.00. See Section 4.

F. General

At Seller's request, Purchaser shall provide, at Purchaser's expense, a payment bond, or an irrevocable demand letter of credit in an amount to cover the estimated cost of the work. When technicians are required at a specific job site for more than forty-five (45) days, Seller reserves the right to assign a replacement or relief at the end of this period and every fourth week thereafter. The associated travel cost and time shall be billed to Purchaser's account.

Personnel performing the foregoing described services provide no tools or safety equipment other than basic personal protection (i.e. steel-toe boots). Arrangements must be made in advance, if tools, monitoring, measuring, and safety equipment are required.

Personnel performing shall present time sheets showing days and hours worked for Purchaser's approval and signature before leaving jobsite. No written reports will be provided at the time service personnel are released from the job site and such release will not be conditional upon provision of a written report.



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G. Invoicing/Payments

Payment shall be in U.S. dollars, upon receipt of invoice at time of p.o. For extended assignment, invoices shall be rendered, and payments shall be due at time of purchase order.

SECTION 2. DEFINITIONS.

The following terms have the meanings set forth below unless the context indicates otherwise. Words importing the singular include the plural and vice versa when the context requires.

'Equipment' means operational spare parts or renewal parts or any other material (including tooling) or parts, or any combination thereof, furnished by Seller to Purchaser under this Agreement.

'Owner' means any person or entity with a legal or equitable interest in the Plant which entitles such person or entity to bring suite for damages in the event of injury or damage.

'Plant' means any site or customer facility for fluid pumping, petroleum recovery, production, transport, and refinement.

'Plant Site' means the location of the Plant.

'Product' means any process, equipment, information, service, output or other thing of value which incorporates or results directly or indirectly from the Equipment or Services.

'Services' means work, direction of work, technical information or technical consulting and advice or other services furnished by Seller to Purchaser under this Agreement for use in or in connection with the Plant. Services may be performed on or off of the Plant Site and include such activities as the installation, testing, alignment, startup, operation, repair, and maintenance of the Equipment.

1 Service Engineer which provide normal supervision of installation, testing, alignment, startup, operation, repair, and maintenance.

2 Design Engineer / Expert services which provide on-site project management, evaluation, and repair assistance in the areas of component hydraulics, metallurgy, vibration, and dynamics.

SECTION 3. SALES AND SIMILAR TAXES.

In addition to the rates and prices specified herein, the amount of any present or future sales, use, excise, or other similar tax applicable to the work hereunder shall be paid by Purchaser, or in lieu thereof Purchaser shall provide Seller with a tax-exemption certificate acceptable to taxing authorities.

SECTION 4. CANCELLATION.

Purchaser may cancel this Agreement only upon written notice and upon payment to Seller of reasonable and proper cancellation charges. If in the opinion of Seller, the financial condition of Purchaser does not justify continuance of the work to be performed hereunder on the terms of payment agreed upon, Seller may require full or partial payment in advance or shall receive reimbursement for its reasonable and proper cancellation charges. In the event of bankruptcy or insolvency of Purchaser or in the event any proceeding is brought against Purchaser, voluntarily or involuntarily, under the bankruptcy or any insolvency laws, Seller shall be entitled to cancel this Agreement at any time during the period allowed for filing claims against the estate and shall receive reimbursement for its reasonable and proper cancellation charges.

SECTION 5. SUSPENSION.

In the event Purchaser elects to suspend work under this Agreement, Purchaser shall notify Seller one week in advance of the suspension date. This notification shall be in writing and include the anticipated suspension period. Seller shall advise Purchaser of the price adjustment which shall be based on Seller's ability to reallocate manpower, material, and equipment during the suspension period.

SECTION 6. WARRANTIES.

A. Equipment.

Seller warrants that the Equipment shall be free from defects in material, workmanship, and title; be of best quality and conform to the terms of the purchase order. Accessories supplied by Seller but manufactured by others carry whatever warranty the manufacturers of such accessories conveyed to Seller, and which can be passed on to Purchaser. Seller's obligations under this warranty shall expire one (6) month from initial Equipment start-up or one (1) year after shipment, whichever occurs first.

B. Services.

Seller warrants that the Services shall be performed in accordance with industry practices. Seller's obligations under this warranty shall expire ninety (90) days after the Services are performed.

C. Conditions Applying to Warranties.

The warranty for Equipment is conditioned upon the Equipment's being received, unloaded, stored, handled, installed, tested, maintained, and operated in a proper manner. Neither the warranty for Equipment nor the warranty for services shall be applicable in the event that failure to meet such warranty is the result of acts or omissions of persons (other than Seller or Seller's suppliers in connection with the work performed by them hereunder), accidents or alteration, abuse or misuse of the Equipment or alteration or misuse of the Services. The conditions of any tests and the basis of any calculations in connection with the warranties for Equipment or Services shall be acceptable to Seller and Purchaser, and representatives of either may witness the tests. Measurement readings shall be based on Plant instrumentation, if applicable, and actual readings shall be utilized. In lieu thereof Purchaser or Seller may, at its expense, provide temporary special test instruments. Purchaser and Seller reserve the right to inspect and calibrate any instruments to ensure accuracy of measurements, and such expenses shall be borne by the party exercising such right.

D. Remedy

1. If the Equipment or any part thereof does not conform to the warranty for Equipment, Seller shall thereupon promptly correct such non-conformity by repair or replacement FCA Seller's factory.
2. If any of the Services do not conform to the warranty for Services, Seller shall perform such Services again at no additional cost to the Purchaser.
3. Purchaser shall give Seller written notice of any defect, damage, or nonconformity as soon as possible in order



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