

10474 - 172 Street Edmonton, AB Canada T5S 1G9

Phone: 780-484-4002 Toll Free: 1-800-465-8890 Email: covers@reflex.ca Website: www.reflex.ca

General Sales Terms and Conditions

Pricing and Terms of Payment:

Prices are in *Canadian* dollars and valid for 30 days unless noted otherwise and do not include taxes or freight charges. Taxes, brokerage, customs or duties (if and where applicable) will be charged extra at the rate applicable at the time of invoice and are in effect at the time of shipment.

Payment terms are subject to the approval of Reflex's Credit Department. If at any time Reflex has reservations regarding a Buyer's financial responsibility, Reflex reserves the right to cease fabrication and/or suspend shipments until such a time that satisfactory assurances are received. In addition, Reflex shall have no obligation to make shipments when the Buyer is in default hereunder or under any other agreement. Credit limits are established on an account by account basis and payment terms are net 30 days from the invoice date unless otherwise noted.

Purchase Order Acknowledgement:

By issuing a purchase order, the Buyer agrees to the terms and conditions herein (unless otherwise explicitly agreed by Reflex in writing to Buyer's terms and conditions).

Credit Card Payments:

For Buyers without approved credit terms with Reflex, credit card payments are acceptable.

Unit Rate Pricelists:

Should Reflex provide the Buyer with Unit Rate pricelists, it is offered in good faith and is based upon material specifications, specifically noted insulation cutback, fabrication and shipment within Reflex's standard operating hours. Such information will be retained on a confidential basis by the Buyer and its employees and agents and should not be disclosed to any third party without written consent from Reflex. Reflex may be contacted at any time for assistance in the use of these workbooks. The Buyer assumes sole responsibility for prices used for project bidding and/or day to day use. Unit Rate pricelist are provided for information only and are subject to change without notice. Contact is required to be made with a Customer Service Representative to confirm pricing prior to placing an order.

Tracer Wrap Orders:

By issuing a purchase order for Tracer Wrap, the Buyer acknowledges that the size and thickness is correct. If upon installation, the tracer wrap is found to be incorrect for size (circumference) or thickness, the Buyer may request a return of product. This return authorization is at the sole discretion of Reflex. Tracer Wrap may be restocked so long as it is returned in its original condition and length that it was sold in. Reflex will not accept any restocking of cut Tracer Wrap. Reflex will not accept any restocking of custom made (nonstandard pattern) tracer wrap. If Reflex authorizes the restocking of Tracer Wrap, the Buyer will be charged a restocking fee of 50% plus return freight.

Raw Materials Orders:

Raw Materials include (but are not limited to) full rolls or cut-lengths of fabrics, insulation materials and other insulation blanket hardware, accessories and partially-fabricated items (e.g. fastener assemblies). It is the responsibility of the Buyer to ensure that the Raw Material products requested meet Buyer's needs and it is the responsibility of the Buyer to request from Reflex any and all technical data sheets, safety data sheets and/or example photos of the Raw Materials to make an informed purchasing decision. Reflex may also provide, at the Buyer's request, an opportunity to visit Reflex to inspect the Raw Materials prior to purchase. By issuing a purchase order for Raw Materials, Buyer acknowledges that all sales of Raw Materials are final.

Packaging:

Reflex's standard packaging is palletized and shrink wrapped, and/or packed in recycled boxes. The method is determined by quantity, size and weight of the insulation blankets and fire protective products ("Cover(s)"). Other

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packaging arrangements can be made, and additional charges may apply. Buyer is responsible for notifying Reflex in writing, of any specialized packaging instructions.

Shipping Terms:

Standard shipping terms are FCA Reflex Edmonton Warehouse - Collect. Title and risk transfers to the Buyer once the bill of lading is signed and the shipment is loaded on the Buyer's appointed carrier. The freight carrier is the responsibility of the Buyer.

Should the Buyer and Reflex agree to Prepaid and Charge shipping terms, there will be a minimum surcharge of 25% to compensate for related invoicing and all associated carrying costs. Reflex reserves the right, on all prepaid shipments, to use the carrier and method of transport of its choice. Hot-Shot, weekend and rush shipments will result in additional charges.

The Buyer will be responsible for having a designated representative and sufficient, qualified staff and equipment to receive and unload goods in a protected and timely manner. Unloading, demurrage, storage, safeguarding, and standby charges are the Buyer's responsibility unless arranged otherwise with Reflex.

Notwithstanding the above, title and risk shall transfer from Reflex to Buyer for any completed goods held in storage by Reflex at Buyers request, or if the completed goods are not picked up within two business days of Reflex's provided completion notice or the agreed upon requested readiness date, whichever is later. Reflex shall invoice in full upon title and risk transfer from Reflex to Buyer. Unless explicitly agreed to by Reflex in writing in advance, after ten business days of goods being held in storage by Reflex, storage fees shall be charged at the greater of either 10% of sales price per one month increments (120% per Annum) or the cost of 3rd party handling and storage charges plus 25%. Reflex reserves the right to dispose of finished goods held in storage beyond three months.

Warranty:

Reflex Covers are intended for harsh environments that subject them to degradation, contamination and damage by the elements and ordinary course usage, and are placed in unpredictable and dynamic conditions whereby accidents, product releases, combustion or explosions are anticipated to result in the damage, failure or destruction of the products and underlying protected structures. Further, any such performance standards that are applicable to the intended use of the products are theoretical in nature, and the actual operating conditions in which these products are placed are not capable of being predicted with any certainty, such that there cannot be any reasonable probability or expectation that the products will fully or foreseeably insulate, prevent or avoid any property damage or injury.

In view of the forgoing, for a period of 18 months from the date of shipment or 12 months from the date of installation, whichever is earliest, Reflex warrants that the products shall be manufactured in accordance with Reflex's stated materials list and configuration methodology.

In addition, Reflex shall also provide a rework on account of Reflex errors as to sizing of custom products, if identified within 30 days of shipping or the date of installation, whichever is earliest. We will endeavour to expedite any such rework required, and the direct cost to Reflex of re-fabrication or modification and direct cost of shipping the replacement product shall be the responsibility of Reflex.

Except as expressly set forth above, Reflex makes no warranties or conditions, and the foregoing warranties supersede all other statements, marketing materials, warranties and conditions, whether express or implied, dated, or undated, whether they be written or verbal, statutory, express or implied, including the implied conditions of reasonable fitness for purpose, merchantability and correspondence with description. IN NO EVENT SHALL REFLEX BE LIABLE FOR PERSONAL INJURY, DAMAGE OR DEATH, OR FOR DOWNTIME, BUSINESS INTERUPTION, INCIDENTAL, ECONOMIC, INDIRECT, DIRECT, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES CONNECTED WITH

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THE FAILURE OF ANY PRODUCT(S) OR INSTALLATION OF SAME, and Buyer shall indemnify Reflex in respect of same, including damages due to product misuse, damaged product not replaced or repaired, product failure due to application of the Cover on equipment operating above the temperatures listed at the time of purchase, product exposed to fire or extreme heat, wear and tear in the ordinary course, and improper installation or improper fit due to changes in equipment configuration or tracing after field measurements are taken. Reflex will not be responsible for labour to install, inconvenience, scaffolding, installation, aerial work platforms and all other administrative or other costs, loss of time, loss of income or loss of use of the product or any consequential damage of any kind, storage costs, or transportation and shipping costs related to the performance of this warranty.

Without limiting the foregoing, Reflex's liability on any claim, whether in contract, tort (including negligence) or otherwise, for any loss or damage arising out of, connected with, or resulting from the manufacture, sale, delivery, installation, resale, repair, replacement or use of the products shall in no case exceed the price allocable to the products, or any components or part thereof, which gives rise to the claim. Reflex reserves the right to change or improve the design of a warranted product without obligation to make modifications to or replace previous models of that product already sold. Buyer shall name the indemnified Reflex as additional insured (except for Workers Compensation), shall waive its right of subrogation against the Reflex and their insurers, and agrees that its insurance shall be primary for any matters not undertaken by Reflex under its warranty.

Cover(s) Cancellations:

Reflex Covers are unique custom made products. These products are tailored to the Buyer's requirements and cannot be "restocked" for other applications. If the Buyer wishes to cancel a Cover(s) after an approved purchase order is received, Reflex reserves the right to charge a cancellation fee against the purchase order on file. The cancellation request must be received from an authorized party in writing. The Buyer shall pay to Reflex a percentage of the Cover's total order price. This percentage is based on the stage of completion at the time of cancellation.

Schedule of Cancellation Charges:

Milestone Event	Percentage (plus taxes)
Database and Field Preparation Complete	5%
Site Measurement Complete	15%
AutoCAD Complete	25%
Jacket and Liner Material Cut	50%
Prepped	55%
Sewn	60%
Insulation Patterns Cut	75%
Stuffed	85%
Closed	95%
Preparation for Shipment (Packing)	100%
Shipped	100%

Data Sheets:

Reflex will make available, upon request any available Technical Data Sheets (TDS) and Safety Data Sheets (SDS) documents for materials used in the fabrication of its Covers.

Processes

To make a claim, the buyer shall provide written notice by certified mail, return receipt requested, to Reflex within 30 days after damage to the product appears. The written notice shall include the date the damage was discovered, a description of the installation in which the product has been used and the position of the product within the

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installation, documentation that the product was used in the installation, photographs of the damaged area, and the name, address and telephone number of the buyer making the claim. Reflex shall have no obligation with respect to this limited warranty unless and until the written notice is provided in accordance with this paragraph, and the written notice should be sent to Reflex at its address noted on its website.

After making a warranty claim, the party making the warranty claim shall grant Reflex and/or its designee's full access to the areas where the product has been used and all adjacent areas, and shall fully cooperate with in the investigation of the warranty claim. Any failure to grant such access and/or provide such cooperation shall void this limited warranty.

Governing Law; Limitation Period:

In the event there is any claim or controversy arising out of or related to the product and/or this limited warranty, any legal proceeding must be preceded by a notice letter stating the nature of the claim or controversy sent by registered mail, return receipt requested, and such provision is a condition precedent to filing any lawsuit. In the event any lawsuit is filed arising out of or related to the product and/or this warranty, any such lawsuit must be filed within (1) the applicable statute of limitations or (2) two years and 30 days after damage to the product first appears, whichever period is shortest.

General:

These general terms and conditions listed herein may be superseded by project specific or job specific requirements as agreed by Reflex in writing. In the case of any conflict or inconsistency as between these terms, and any provisions of the Buyer's purchase order or other terms and conditions pertaining to products purchased, the terms herein shall supersede and take precedence over such other terms and conditions (which shall be deemed amended or deleted to the extent required to remove any conflict or inconsistency. Reflex will not proceed with fabrication without Buyer's purchase order or credit card authorization.

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