

## GENERAL TERMS AND CONDITIONS

1. **Terms and Conditions:** These terms and conditions ("General Terms") and any other terms and conditions specifically agreed to in writing ("Specific Terms") by Bri-Chem Steel Corporation ("Vendor") shall constitute the agreement ("Agreement") between the Vendor and the party ("Purchaser") to whom the Vendor is selling the products ("Goods") whose sale are the subject of these General Terms. No other terms or conditions shall apply to the sale and purchase of the Goods. In the event of conflict the Specific Terms shall govern over the General Terms. All proposals, quotes, purchase order forms, negotiations, representations and other communication, if any, related to the sale and purchase of the Goods are merged into the Agreement.
2. **Prices:** Unless otherwise specified in the Specific Terms:
  - (a) prices are in Canadian dollars;
  - (b) prices do not include any taxes or duties which the Vendor may be required to pay to any authority in North America (on its own behalf or on behalf of Purchaser) related to the sale of the Goods; and
  - (c) prices do not include any costs of transportation beyond the point of shipment identified in the Specific Terms ("Delivery Point").

Where not included, all such taxes, duties and transportation costs shall be for the account of the Purchaser.

3. **Payments:** Payment shall be made by Purchaser to Vendor, without any retention or setoff:
  - (a) at the address or by other means as specified in Vendor's invoice, and
  - (b) unless otherwise specified, within thirty (30) days of receipt by Purchaser of Vendor's invoice.

Vendor may invoice Purchaser for the amount due in relation to the sale of any Goods upon delivery of the Goods being invoiced to the Delivery Point. Overdue amounts shall bear interest at a rate equal to the lesser of, 1.5% per month (18% per annum) and the maximum interest rate able to be charged in relation to the sale of the Goods at law until paid, both before and after demand or judgment. Purchaser shall be responsible for all Vendor's costs (including legal fees on a solicitor and client basis) incurred related to the collection of overdue amounts owing by Purchaser to Vendor.

4. **Security for Payment:** If Vendor reasonably believes at any time that Purchaser is then, or may become, unable to perform its obligations under the Agreement the Vendor may require the Purchaser to provide Vendor with security or other assurances for performance (in any case acceptable to Vendor acting reasonably) failing which Vendor may suspend scheduling, production, shipment or delivery of the Goods while such failure continues.
5. **Risk of Loss, Incidental Charges and Title:** Unless otherwise stipulated in the Specific Terms and regardless of whether Vendor has agreed to insure the Goods while in transit, risk of loss or damage to the Goods shall pass to the Purchaser at the Delivery Point. Insurance proceeds shall be paid to the parties according to their interest in the Goods at the time of loss or damage. Any charges related to the Goods at, or subsequent to delivery to, the Delivery Point for spotting, loading, switching, handling, storage or like services and demurrage shall be for the Purchaser's account. Title to any Goods shall pass to Purchaser upon Vendor's receipt of full payment for both the Goods and all recoverable charges or costs related to their sale and delivery.
6. **Delivery Point, Schedule and Shipping:** The Vendor will deliver the Goods to the Purchaser at the Delivery Point. If not stated in the Specific Terms, the Delivery Point shall be whichever of the following is applicable: (a) if the Goods are located in North America at the time of sale, FOB the initial carrier used to transport the Goods to Purchaser; or (b) if the Goods are being supplied from a source outside North America, when unloaded at the port of entry in North America. The Vendor reserves the right to ship all or part of the Goods in any shipment and to make multiple shipments. The Vendor will use reasonable efforts to meet any agreed upon delivery schedule but does not guarantee shipment by any date and shall not be in default, and shall not be liable for any claims which may arise, in either case as a result of delays in delivery of Products to the Delivery Point. Vendor shall use reasonable efforts to comply with Purchaser's requests regarding mode of transportation, where reasonably available when required and satisfactory to Vendor.
7. **Quantities and Specification Variations:** All weights and dimensions contained within the Agreement are approximate and subject to adjustment as required when actuals become known. All specifications applicable to the Goods are subject to tolerances consistent with reasonable mill practises, practical testing and inspection methods and industry standards and practises.

8. Claims: Purchaser shall conduct a timely inspection of all Goods upon receipt and provide notice of any rejection or non-conformity within ten (10) business days of receipt of the Goods. Failure to provide notice of any claims within the said time period or use of the goods by Purchaser shall be deemed acceptance of the Goods.

9. Warranties: Vendor warrants that title to the Goods shall be free and clear of encumbrances attributable to Vendor or predecessors in interest to Vendor. Vendor warrants that Goods will be free from material defects and will reasonably conform, subject to the provisions of Section 7, to applicable specifications and standards referenced in the Agreement. No warranty of merchantability or fitness for any purposes is made, and no other representation or warranty (express or implied) is made, respecting the Goods.

No warranty or representation as made with respect to the compliance of the Goods or possible or intended uses thereof with any environmental related requirements or restrictions. Any information related to the constituents of the Goods has been provided by the manufacturer/fabricator and is not warranted as to accuracy by Vendor.

Vendor will replace any Goods which are confirmed by Vendor to be non-compliant with this Agreement or, at Vendor's option, refund amounts paid by Purchaser to Vendor related to the non-compliant Goods (less in every case any salvage value realizable). These remedies are Purchaser's sole remedies for non-conforming Goods.

10. Limitation of Liability: The liability of Vendor to Purchaser under the Agreement, whether arising from breach of contract, negligence or howsoever otherwise shall not exceed the greater of, the direct damages recoverable at law and the amount paid by the Purchaser for those Goods affected by the cause or breach giving rise to the liability. IN NO EVENT SHALL VENDOR BE LIABLE TO PURCHASER FOR ANY INDIRECT, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR SPECIAL DAMAGES (INCLUDING WITHOUT LIMITATION: LOSS OF REVENUES OR PROFITS; LOSS OF USE OF GOODS OR OTHER PRODUCTS, MATERIALS OR FACILITIES; LOSS OF, OR CLAIMS OF, CUSTOMERS; INCREASED COSTS OF CAPITAL OR OTHER MATERIALS OR SERVICES) HOWSOEVER AND WHENSOEVER CAUSED, INCLUDING WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY OR OTHER CONTRACTUAL OR TORTIOUS OR CRIMINAL BASES. ALL LIMITS OF LIABILITY SHALL SURVIVE TERMINATION OF THE AGREEMENT.

11. Force Majeure: Vendor shall not be in breach of its obligations to Purchaser where and to the extent failure to perform, or delay in performance, is due in whole or in part to:

- (a) natural disasters;
- (b) acts of any governmental authority, domestic or foreign, including acts related to wars, priorities, embargos, export or import control; licensing controls or other events;
- (c) accidents or disruptions including fires, explosions, power shortages or outages, breakdown of equipment;
- (d) delays by manufacturers/fabricators;
- (e) transportation related delays or accidents or shortages;
- (f) strikes, lockouts or other labour related problems;
- (g) acts or omissions of Purchaser; or
- (h) any other cause beyond the Vendor's reasonable control, whether similar or dissimilar

(each of the foregoing being a "Force Majeure Event").

Vendor will notify Purchaser of any failure to perform or delay in performance due to a Force Majeure Event as soon as practicable in the circumstances and use reasonable commercial efforts to mitigate the consequences of any Force Majeure Event.

12. Changes and Cancellations: Purchaser shall have no right to change or cancel any order for Goods contained within an Agreement.

13. Termination: Vendor may terminate the Agreement on notice to Purchaser if:

- (a) Purchaser fails to fulfill its obligations and such failure continues for more than ten (10) days after demand from Vendor to remedy the same,

- (b) Purchaser becomes bankrupt or insolvent or institutes or suffers any bankruptcy, reorganization, liquidation, receivership or similar proceedings or
- (c) Purchaser ceases or threatens to cease to carry on business.

Termination shall not limit any other rights or remedies which Vendor may have.

- 14. Assignment: Purchaser may not assign its rights under the Agreement, in whole or in part, without Vendor's prior consent; any assignment will not operate to release Purchaser.
- 15. General: All waivers and amendments must be in writing and all waivers are effective only with respect to the specific events or rights involved. The Agreement shall be governed by the laws in force in Alberta and Purchaser attorns to the jurisdiction of the Courts in Alberta. The parties disclaim any application of any United Nations Conventions applicable to Contracts for the International Sale of Goods.