

February 19, 2019

RE: INFRA PIPE SOLUTIONS – STANDARD WARRANTY

Dear Valued Customer;

As per our terms and conditions of sale, the warranty on our product is as follows:

WARRANTY: INFRA warrants only that the product shall be free from latent defects and shall be made in a workmanlike manner and in conformity with the specifications related thereto. To the extent Services are to be provided hereunder, INFRA warrants only that all work rendered shall be provided in a workmanlike manner and in conformity with the Specifications related thereto. For a period of 12 months following the shipping date of any products or the provision of any Service, as applicable, but not thereafter, upon demonstration that any such Products and/or Services include latent defects or do not materially conform to the specifications as applicable, attributable to INFRA as manufacturer or Service provider. INFRA shall at its sole option, repair or replace such defective Product or re-perform the Service free of charge per Ex Works (Incoterms 2010) or equivalent, or allow credit to the Purchaser in equal amount, provided that the Purchaser gives written notice to INFRA of the alleged defect or material nonconformity within 7 days of its discovery and submits to INFRA on demand, for examination and testing, all such Products allegedly defective or which allegedly do not materially conform to the Specifications or provides to INFRA on demand, access to the Purchasers premise or job site, as applicable, for examination and testing of all services which allegedly do not materially conform with the Specifications. In default of such notice and submission, all responsibility on the part of INFRA to repair, replace, correct, re-perform or allow credit shall cease. Any products (or parts thereof) returned to INFRA pursuant to this provision shall become the property of INFRA. Any products not manufactured by INFRA or Services not provided by INFRA are not warranted, except in so far as the same are warranted to INFRA by the manufacturer of such Products or the provider of the Services, but in no event does INFRA bind itself to any greater warranty than the ones provided for herein at INFRA's sole option. When Products and/or Services are provided in accordance with Purchaser's Specifications, INFRA assumes no liability for loss or damage arising from improper or inadequate design or instructions and when provided based on or using materials provided by Purchaser, INFRA assumes no liability for loss for damage arising from defects in or inadequacy of such materials. To the extent that any Deliverable is to be repaired, replaced, corrected or performed as provided for herein, INFRA shall not be liable for any damage caused it's the course of digging up, lifting up, dismounting, transportation, mounting or establishment in connection with such Deliverables.

The above wording is contained in paragraph 18 of our complete Terms and Conditions of Sale, a copy of which is attached and has been provided to you.

Yours sincerely,



Jennifer Schneider
Sales Operations Manager

Enclosure: Terms and Conditions of Sale

Terms and Conditions of Sale

1. **ACCEPTANCE/GOVERNING TERMS:** Unless otherwise specifically agreed in writing, the following terms and conditions of sale ("Terms") shall apply to any sale of products and/or services (as defined below) (collectively, "Deliverables") by Infra Pipe Solutions Ltd. "INFRA" ("INFRA") specified either on Quotation from INFRA to Purchase (a "Quotation") or an order (whether written or oral) by Purchaser to INFRA (an "Order") that was based on a Quotation and that has been accepted by INFRA. An Order may be accepted by INFRA only by a written sales memorandum, invoice or other written confirmation from INFRA promising to provide Purchaser Deliverables as ordered and such acceptance may be subject to the approval by INFRA of the creditworthiness Purchaser. Unless otherwise stated, Quotations shall be null and void unless accepted by Purchase within 30 days from the date of the Quotation. Purchaser shall be deemed to have full knowledge of the terms and such Terms shall be binding if either the Purchaser provides written acceptance to INFRA or Deliverables referred to herein as delivered to and accepted by the Purchaser. A Quotation accepted by the Purchaser or an Order accepted by INFRA, together with these Terms and all Specifications (as defined below) shall constitute the Agreement between INFRA and the Purchaser (the "Agreement"). Any additional or different terms and conditions prepared by Purchaser are deemed to be unacceptable to INFRA (are expressly objected to and rejected by INFRA and shall not become a part to this Agreement. In the event of a conflict or inconsistency between the Terms herein and the terms and conditions contained in any acknowledgement or in any other form issued by Purchaser whether or not any such form has been acknowledged or accepted by INFRA the Terms herein shall prevail unless specifically indicated in writing.

2. **INTERPRETATION:** In this Agreement: "Products" means all products, goods, supplies, components, material, articles, systems, processes, and/or equipment to be provided by INFRA to Purchaser pursuant to this Agreement: "Services" means all services, labour, work, welding, fusion, joining and/or applications of any kind to be provided by INFRA to Purchaser pursuant to this Agreement and "Specifications" means any and all specifications and instructions and plans for the products and/or services whether provided by Purchaser or INFRA pursuant to this Agreement including any document providing the scope and/or design of such Products and/or Services, all functional, technical, operational, performance, quality and similar requirements, drawings, schematics, illustrations, Products and/or Service descriptions and any other data relating to the provision of Products and/or Services.

3. **PAYMENTS:** Payment for Deliverables provided within Canada shall be made in full by the Purchaser within thirty continuous days from the invoice date. Payment for Deliverables provided to all other destinations shall be made by confirmed irrevocable letter of credit. All amounts due and not paid when due bear interest until fully paid on such overdue amounts at a rate of 1.5 % per month (18% annum). All references to currency herein are to lawful money of Canada and all amounts payable are payable in Canadian dollars for Canadian customer quotations and to lawful money of the United States of America and all amounts are payable in United States dollars for all other customers. If Purchaser fails to make payments in accordance to this Agreement or Purchaser's financial situation becomes unsatisfactory at the sole discretion of INFRA, INFRA may in its sole discretion either suspend the provision of Deliverables until such payments are made, terminated this Agreement or if applicable require payment in advance for any Deliverables to be provided hereunder.

4. **SHIPPING/ PRICES:** Unless otherwise stated in the Quotation, quoted prices are subject to change by INFRA with or without notice until Purchaser's acceptance unless otherwise specified prices stated or quoted to the Purchaser are Ex Works (Incoterms 2010) - INFRA's production plant. All costs of shipment and insurance shall, unless agreed otherwise in writing, be for the account of the Purchaser. Unless otherwise agreed, Purchaser shall contract for carriage on usual terms or shall provide shipping instruction to INFRA for INFRA to arrange for such carriage at Purchaser's risk and expense. Purchaser must obtain at its own risk and expense any export license or other official authorization and carry out, where applicable, all customs formalities necessary for the export of the Deliverables. INFRA shall provide the Purchaser, at the Purchaser's request, risk and expense assistance in doing so. INFRA responsibility for Deliverables ceases upon delivery to the Purchaser at the production plant. In the event of loss or damage during shipment, Purchaser's claim shall be against the carrier only. INFRA shall, however, give the Purchaser and reasonable assistance to secure adjustment to the Purchaser's claim against the carrier provided immediate notice of such claim is given Purchaser to INFRA.

5. **SALES TAX AND LOCAL IMPORT DUTIES:** Prices stated or quoted do not include Federal, provincial, state or municipal sales taxes, value-added taxes or other taxes or duties. Where appropriate, INFRA's invoices shall include taxes to be collected by INFRA, including goods and services tax. Any changes in such taxes between the date of this Agreement and the provision of the relevant Deliverables shall be for Purchaser's account.

6. **DELIVERY:** Delivery schedules are approximate and are based on the prevailing market conditions applicable respectively at the time of the Quotation and INFRA's acceptance of an Order. INFRA may extend delivery schedules or may, at its option, cancel Purchaser's order in full or in part without liability other than to return any deposit or prepayment which is unearned by reason of the cancellation. If the parties, instead of specifying a date for delivery of the Deliverables have specified a period of time on the expiry of which such delivery shall take place, such period shall begin upon the later of (i) the acceptance of the relevant Order by INFRA or (ii) the receipt by INFRA in satisfactory form of all advanced payments as may be required, an agreed schedule, all permits and approvals and upon the completion of all other formalities and the fulfillment of any other preconditions set out therein. If Purchaser fails to accept delivery of any Deliverables within 30 days as the time of agreed, Purchaser shall still pay the purchase price as if such acceptance had taken place unless the parties agree upon a new delivery date. INFRA will store and insure any such Deliverables at Purchaser's expense and risk. Unless the Purchaser accepts the Deliverables within a final reasonable period determined by INFRA, INFRA may terminate this Agreement in whole or in part or sell the Deliverables in the reasonable interest of the Purchaser. After thirty (30) days, a storage charge of fifty dollars (\$50) or two-tenths percent (0.2%) of the invoice amount, whichever is greater, may be imposed for each day of a Buyer imposed shipment delay. Buyer imposed shipment delays due to inclement weather or poor jobsite conditions will not be accepted. Further INFRA shall be entitled to compensation for any additional costs for losses suffered by INFRA due to such Purchaser's failure.

7. **DELAY IN DELIVERY:** INFRA shall forthwith advise Purchaser of any anticipated delays in the provision of the Deliverables. INFRA shall not be liable or responsible for any damages, costs, back charges or other expenses incurred by Purchaser due to delay in the provision of Deliverables regardless of the cause of such delay (including equipment failure or malfunction or other commercial delays), whether or not such delay can be attributed to INFRA.

8. **PERMITS:** Purchaser undertakes to obtain, all its own expense, all permits, approvals, consents, waivers, licenses, certificates, and authorizations, or any item of similar effect, as may be necessary or required for the full performance of this Agreement.

9. **SECURITY AND RETENTION OF TITLE:** If the parties have agreed that security shall be provided by Purchaser under his Agreement, this Agreement shall not become effective and INFRA shall not commence any work, production or delivery until such security is provided to the reasonable satisfaction of INFRA. INFRA and its sole discretion may require Purchaser to placed security for the payment of the purchase price if INFRA has reason to believe that Purchaser may not be able to pay the purchase price in full when due. INFRA has the right to suspend the performance of its obligations under this Agreement if the payment owing by the Purchaser to INFRA is overdue (whether pursuant to this Agreement or otherwise) or if Purchaser does not provide security acceptable to INFRA when required. Title of the Deliverables shall remain with INFRA until paid for in full by Purchaser to the extent that such retention of title is valid under applicable law. Risk of loss and/or damage to Deliverables shall pass from INFRA to Purchaser upon transfer and receipt (whether to accepted or not) of Deliverables as provided herein.

10. **CANCELLATION:** This Agreement is not subject to changes for cancellation by Purchaser, in whole or in part, without prior written consent of INFRA. If INFRA consents in writing to any changes or cancellation, or if this Agreement is terminated by INFRA as a result of the repudiation or breach of any of the terms of this Agreement by Purchaser, INFRA reserves the right to charge Purchaser with reasonable costs based upon expenses already incurred and commitments by INFRA.

11. **SHIPPING ERRORS:** Any error in weight, number or other specifications must be noted on the bill of lading and Purchaser shall notify INFRA of any claims arising there from in writing within 10 days after receipt by Purchaser of Deliverables. Unless so notified, INFRA shall have no liability in respect to any such error.

12. **RETURNED PRODUCTS:** No products may be returned to INFRA without INFRA's prior written consent. INFRA reserves the right to decline or accept all returns subject to a handling/restocking charge. The amount of credit, if any, provided by INFRA to Purchaser for returned products, shall be at the sole discretion of INFRA. Credit for return Products shall be issued to Purchaser only where such Products are returned by Purchaser and not by any subsequent owner.

13. **ACCEPTANCE TEST:** Acceptance tests may be carried out only if agreed to in writing by the parties and INFRA reserves the right to appoint an independent testing authority if such tests are conducted. If for some reasons beyond INFRA's control, the acceptance tests cannot be carried out within the specified time by the parties, the qualities to be determined in the test shall be deemed approved and the Deliverables accepted.

14. **JOB SITE AND ACCESS:** Purchaser shall prepare the job site (including entry an access there from) in accordance with the Specifications, INFRA's Field Service Customer Invoicing Guide (a copy of which has been provided to Purchaser) and in accordance with any applicable requirements as may be communicated to Purchaser by INFRA from time to time. Purchaser grants to INFRA and to such persons or entities as INFRA may reasonably designate in connection with the provisions of the deliverables hereunder, full right of access to the job site of the Purchaser as may be necessary for the provision of the Deliverables hereunder subject only to reasonable security restrictions as Purchaser may require and that should be notified in advance to INFRA.

15. **VEHICLE ACCESS:** Where delivery to the job site is included in the price payable by the Purchaser under this Agreement, such delivery should be construed to mean motor truck delivery as close to job site, designated storage area, or to line of trench as is practical for loaded standard highway motor trucks and trailers operating under their own power. The Purchaser shall provide and maintain a suitable access, including access roads to the job site, for safe and efficient provisions of the Deliverables.

16. **CONFIDENTIALITY:** All specifications and other documents and information provided to the Purchaser by INFRA shall be treated in confidence by Purchaser. Such items shall remain the exclusive property of INFRA and may not, without the prior written consent of INFRA, be copied, reproduced or communicated to any third party. All such documents and information shall be returned to INFRA upon request.

17. **FORCE MAJEURE:** INFRA shall not be responsible for any direct or indirect damages whatsoever caused by delays beyond the control of INFRA, and without limiting the generality of the foregoing, INFRA shall not be responsible for any damages due to delays caused by storms, fires, floods, acts of God, labour difficulties, (including lockouts, strikes and slowdowns) material procurement delays (including inability to obtain power, materials, labour, equipment or transportation) acts of war or terrorism, quarantine restrictions, commercial impossibility, court injunctions or order, or any cause beyond its control.

18. **WARRANTY:** INFRA warrants only that the product shall be free from latent defects and shall be made in a workmanlike manner and in conformity with the specifications related thereto. To the extent Services are to be provided hereunder, INFRA warrants only that all work rendered shall be provided in a workmanlike manner and in conformity with the Specifications related thereto. For a period of 12 months following the shipping date of any products or the provision of any Service, as applicable, but not thereafter, upon demonstration that any such Products and/or Services include latent defects or do not materially conform to the specifications as applicable, attributable to INFRA as manufacturer or Service provider. INFRA shall at its sole option, repair or replace such defective Product or re-perform the Service free of charge per Ex Works (Incoterms 2010) or equivalent, or allow credit to the Purchaser in equal amount, provided that the Purchaser gives written notice to INFRA of the alleged defect or material nonconformity within 7 days of its discovery and submits to INFRA on demand, for examination and testing, all such Products allegedly defective or which allegedly do not materially conform to the Specifications or provides to INFRA on demand, access to the Purchaser's premise or job site, as applicable, for examination and testing of all services which allegedly do not materially conform with the Specifications. In default of such notice and submission, all responsibility on the part of INFRA to repair, replace, correct, re-perform or allow credit shall cease. Any products (or parts thereof) returned to INFRA pursuant to this provision shall become the property of INFRA. Any products not manufactured by INFRA or Services not provided by INFRA are not warranted, except in so far as the same are warranted to INFRA by the manufacturer of such Products or the provider of the Services, but in no event does INFRA bind itself to any greater warranty than the ones provided for herein at INFRA's sole option. When Products and/or Services are provided in accordance with Purchaser's Specifications, INFRA assumes no liability for loss or damage arising from improper or inadequate design or instructions and when provided based on or using materials provided by Purchaser, INFRA assumes no liability for loss or damage arising from defects in or inadequacy of such materials. To the extent that any Deliverable is to be repaired, replaced, corrected or performed as provided for herein, INFRA shall not be liable for any damage caused it's the course of digging up, lifting up, dismounting, transportation, mounting or establishment in connection with such Deliverables.

19. **LIMITED WARRANTIES:** It is understood and Purchaser agrees that the warranties provided in above 18 constitute INFRA's sole warranties with respect to the Deliverables and that all other warranties, express or implied, legal or contractual, on the part of INFRA with respect to the Deliverables and that all other warranties, are hereby excluded, and in particular, but without limiting the generality of foregoing, no liability is assumed nor is INFRA responsible for damages or delays caused by defective materials or workmanship or negligence of INFRA, nor shall any allowances for repairs, alterations or re-performance be made unless effected with the prior written consent of INFRA. Further, INFRA shall not be responsible for any damage or delays caused by defects arising out of faulty maintenance, incorrect installation, incorrect operation, excess of loading from erosion, cavitation, abnormal soil conditions, unsatisfactory foundation, excessive stress during sinking, building or installation work not undertaken by INFRA and another reason beyond INFRA's control.

20. **LIMITED LIABILITY:** Notwithstanding any other provision of this Agreement, to the maximum extent permitted under applicable law, in no event, and under no circumstances shall the aggregate liability of INFRA (including remedies for defective goods, rectification work and damages) exceed the aggregate purchase price Ex Works (Incoterms 2010) for the applicable Products and/or service provided pursuant to this Agreement. INFRA shall not be liable under any circumstances for any incidental, consequential, indirect, special or punitive damages arising out of or related to the Performance of this Agreement or the provision of or failure to provide the Deliverables, including without limitation, damages or injuries to any person (including death), loss of profits, loss of business revenue, loss of production, loss of use, loss of contracts, interruption of operation, failure to realize expected savings or other commercial or economic losses of any kind, whether or not foreseeable, whether such liability is based in contract or tort, negligence, strict liability or otherwise, or whether or not INFRA has been the advised of the possibility of any such liability.

21. **INDEPENDENT CONTRACTOR:** INFRA is an independent contractor of Purchaser and nothing in this Agreement can be read to imply or construe INFRA as a partner, agent or employee of Purchaser. Neither party shall have authority to commit or create any liability on the part of the other or to bind the other party in any way.

22. **DISPUTES:** Unless otherwise agreed to in writing, any controversy, questions or claim or other dispute arising out of relating to this Agreement must be conclusively settled by submission to arbitration in accordance with the rules of arbitration of the Arbitration Act (Ontario) for domestic sales and to the International Commercial Arbitration Act (Ontario) for International Sales. The arbitration shall be held in Toronto, Canada. The number of arbitrators shall be one and the arbitration shall be conducted in English. Notwithstanding the foregoing, INFRA reserves the right to initiate legal proceedings against the Purchaser in any, competent court of law for the purpose of collecting unpaid invoices.

23. **WAIVER'S:** No failure or delay by INFRA in enforcing any of the terms and conditions of this Agreement shall prejudice, or restrict its rights and powers under this Agreement nor shall any waiver of any breach operate as a waiver of any subsequent breach.

24. **GENERAL:** This Agreement: (a) shall be governed by and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties consent to venue in Ontario and the parties agree that the International Sale of Goods Act (Ontario) does not apply to this Agreement; (b) may not be assigned by Purchaser without the prior written consent of INFRA; (c) shall insure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties; and (d) constitutes the entire Agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings Agreements, representations or warranties, express or implied, between the parties with respect thereto. Any provision of this Agreement that contemplates performance or observance subsequent to any termination or expiration of this Agreement (in whole or in part) shall survive any such termination or expiration and continue in full force and effect. No modifications of or amendment to this Agreement is valid or binding unless set forth in writing and executed by the parties. Any provision of this Agreement that declared unenforceable or invalid shall be severed from the balance hereof without affecting the remaining provisions hereof.