

EQUIPMENT SALES AGREEMENT – GENERAL TERMS & CONDITIONS

All capitalized terms not defined herein shall have the meanings set forth in the Work Order.

1. Sales Agreement:

- 1.1 These Equipment Sales Agreement General Terms and Conditions for the sale of Goods are binding between either AM-GAS Services Inc. (for the sale of goods to United States customers) or AMGAS Services (U.S.) Inc., (hereinafter collectively known as "AMGAS") and customer ("Customer");
- 1.2 Pursuant to the above, any other documents referenced herein or to which these terms and conditions are expressly incorporated constitutes the entire agreement ("Agreement") between AMGAS and Customer and supersedes any prior understanding or future agreements between the parties with respect to such subject matter, whether written or oral unless mutually agreed to;
- 1.3 The term "Equipment" as used herein shall refer collectively to the items described in an order form ("Order Form") or any replacements or substitutions therefore. AMGAS will not be obliged to provide Equipment until it has countersigned the Order Form. AMGAS and the Customer may be referred to herein as a "Party" or collectively, as "Parties"; and
- 1.4 As described in an Order Form "Goods" shall be defined as replacement parts for AMGAS Equipment and chemical purchases, or third-party purchases provided by AMGAS upon Customers request.

2. Delivery Timing:

AMGAS will use all reasonable efforts to cause the Equipment to be ready for delivery by the delivery date specified on the Face Page but does not guarantee delivery by that date. If and whenever AMGAS becomes aware of any development or circumstance that is expected to affect the delivery date, it will notify Customer of same as soon as reasonably practicable. As the time for delivery of the Equipment approaches AMGAS will contact Customer to coordinate delivery. If Customer fails to take delivery of the Equipment when it is first made available for delivery, AMGAS will be entitled to charge Customer reasonable storage and handling charges.

3. Rates / Rate Volatility / Changes / Re-Stocking:

- 3.1 **Rates** - During the Term of this Agreement, the rates set out in AMGAS Annual Price Book or Rate Sheets, and any subsequent Amendment to this Agreement or Order Form shall be subject to an annual rate review thirty (30) days prior to the Anniversary Date for each contract year during the Term of this Agreement.
- 3.2 **Rate Volatility** – PURSUANT TO SECTION 3 a), IF DURING THE PERFORMANCE OF THIS AGREEMENT THE RATES SET OUT IN THE ESTABLISHED AMGAS ANNUAL PRICE BOOK OR RATE SHEETS INCLUDING BUT NOT LIMITED TO SERVICES ORDER, PURCHASE ORDERS SIGNIFICANTLY INCREASES OR ANY OTHER FORM OF COMMITMENT, THROUGH NO FAULT OF AMGAS, THE PRICE OF SHALL BE EQUITABLY ADJUSTED BY AN AMOUNT REASONABLY NECESSARY TO COVER ANY SUCH SIGNIFICANT PRICE INCREASES. AS USED HEREIN, A SIGNIFICANT PRICE INCREASE SHALL MEAN ANY INCREASE IN PRICE EXCEEDING FIVE PERCENT (5%) EXPERIENCED BY AMGAS FROM THE DATE OF THE CONTRACT SIGNING. SUCH PRICE INCREASES SHALL BE DOCUMENTED THROUGH, AMENDMENTS, PURCHASE ORDER REVISIONS, MANAGEMENT OF CHANGE, OR QUOTES.
- 3.3 **Changes** - Customer may at any time up to the date thirty (30) days prior to the expected date of delivery of the Equipment request changes to the components or specifications of the Equipment, and in any such case AMGAS will use reasonable efforts to accommodate such

changes to the extent practical in the circumstances, but will not be required to implement any such changes unless and until the parties have come to a mutually acceptable agreement and Customer has paid AMGAS the full amount of the price increase agreed to be paid for such changes. AMGAS may make changes to the components or specifications of the Equipment without Customer's consent if it considers such to be necessary or advisable, provided that such changes are not expected to have an adverse effect on the performance capability of the Equipment, and are not inconsistent with any specific directive of Customer. If AMGAS determines that any such changes are necessary or advisable it will notify Customer thereof as soon as reasonably practicable.

- 3.4 **Re-stocking** – If Customer cancels a Purchase Order (or any other form of commitment, verbal or written) after the Purchase Order has been fully executed by the Parties, the Customer will compensate AMGAS a re-stocking charge of a minimum 50% of Purchase Order value, and payment for the unpaid balance for services performed to the time of cancellation plus all proper costs incurred by AMGAS directly resulting from cancellation.

4. Payments:

- 4.1 All Sales invoices are due and payable within thirty (30) days after receipt of invoice from AMGAS. All amounts owed hereunder not paid when due will bear interest from the date such amount becomes due at the rate of 2% per month Furthermore:
 - a) All expenses associated with telegraphic transfer (wire transfer) charged by Lessee forwarding bank shall be borne by the Lessee, but those charged by AMGAS' bank and others through banks shall be borne by AMGAS; and
 - b) *Applicable to Alberta based Work Orders only* - The Parties, and its subsidiaries and affiliates agree to comply with Alberta's Bill 57 Amendment A1 "Prompt Payment and Construction Lien Act (the "PPCLA")" including but not limited to prompt payment terms, and dispute resolution regulations.

- 4.2 CUSTOMER ACKNOWLEDGES THAT, PURSUANT TO SECTION 4.1, AMGAS HAS THE RIGHT TO REPOSSESS THE EQUIPMENT SHOULD CUSTOMER BECOME IN DEFAULT OF ITS OBLIGATIONS. CUSTOMER HEREBY WAIVES THE RIGHT, IF ANY, TO REQUIRE AMGAS TO GIVE CUSTOMER WRITTEN NOTICE PRIOR TO EXERCISING SUCH RIGHT OF REPOSSESSION. FURTHERMORE, CUSTOMER WILL WAIVE ANY ACCESS RESTRICTIONS AND PROVIDE ACCESS TO AMGAS TO ITS PROPERTY(IES) TO REMOVE ANY AND ALL EQUIPMENT UNDER THIS AGREEMENT.

5. Transfer of Title:

- 5.1 Title to the Equipment will be transferred and pass to Customer at the time at which AMGAS receives full and final payment of the Purchase Price, together with any other amounts that may be owing in respect of the Equipment as a result of changes or otherwise. If AMGAS should elect to deliver the Equipment prior to receipt of final payment it will nonetheless retain title to and ownership of all of the Equipment until final payment is received. Upon receipt of final payment, AMGAS shall provide Customer with a bill of sale confirming transfer of title to Customer.
- 5.2 Title and custody for chemicals will be transferred to Customer upon delivery and acceptance by the Customer. Transfer of chemicals to the Customer does not release the Customer of its obligations to fully compensate AMGAS as per the rates established in the Work Order, together with any other amounts that may be owing in respect of the Chemicals

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as a result of changes or otherwise.

6. Taxes:

The Purchase Price does not include any amount in respect of any sales, use, excise or other taxes, levies, or assessments payable in connection with the purchase and sale of the Equipment. Customer will be responsible for the payment of all such taxes, levies and assessments for its own account, and shall indemnify and hold AMGAS harmless against and from any liability, obligation or claim in respect of any such taxes, levies or assessments.

7. Set-up Services:

Unless otherwise expressed in the Order Form, AMGAS will not be required to provide any installation, set-up, testing, training or other services with respect to the Equipment.

8. Operation of the Equipment and Intent:

AMGAS shall deliver to Customer an operation manual in the English language describing the proper use, operation, and maintenance of the Equipment ("Operations Manual"). Customer shall be responsible for operation and use of the Equipment, which operation and intended use shall be in accordance with the terms hereof. Customer shall use, operate, and maintain the Equipment in a reasonably competent manner and in compliance with the Operations Manual. Customer may only use or operate the Equipment in the applicable jurisdiction, or in such other territories as approved in writing by AMGAS. Customer shall not lease or rent the Equipment to a third party. The purchase of AMGAS Equipment is for the sole use of the Customer only. Customer shall comply with all applicable rules, laws, and regulations in connection with its operation and use of the Equipment.

9. Intellectual Property:

Any Intellectual Property (as defined below) in and to the Equipment and the Operations Manual is and shall remain the property of AMGAS, subject only to the Customer's right to use such Intellectual Property as may be embodied in the Equipment or the Operations Manual as contemplated herein. Customer shall not: (i) copy, reproduce, modify, or adapt any of AMGAS' Intellectual Property in or to the Equipment or the Operations Manual or any part thereof, except to the extent required to use and maintain the Equipment as set forth in the Operations Manual; (ii) sell, lease, rent, assign, sublicense, distribute, or otherwise transfer in any manner any of AMGAS' Intellectual Property in or to the Equipment or any part thereof; or (iii) decompile, disassemble, or otherwise reverse engineer any portion of AMGAS' Intellectual Property in or to the Equipment or any part thereof. Customer's right to use any of AMGAS' Intellectual Property embodied in the Equipment is limited to its own internal use of the Equipment.

"Intellectual Property" means all inventions, patents, patent applications, copyrights, industrial designs, design models, trademarks, trade secrets, confidential information, technical information, inventions (whether or not patented or patentable), technical drawings, specifications, data and any other form of intellectual property protected by law, now or hereafter known and includes any information or material, the possession of which has commercial value.

10. Warranty and Disclaimers:

AMGAS warrants to Customer that during the Warranty Period (as defined below), the Equipment will be free from material defects in parts and workmanship (the "Warranty"). The Warranty is subject to the proper use, operation, and maintenance of the Equipment in accordance with the Operating Manual. The Warranty shall not apply to material defects caused or as a result of: accident, misuse, misapplication, abuse, storage, damage, negligence, or modification of or to the Equipment or any of its components; tampering, modification, adjustment or repair of the Equipment by any person other than AMGAS or as described in the Operations Manual; installation of any accessories onto, or replacement of any

parts forming part of, the Equipment; or acts or events beyond AMGAS' reasonable control, including acts of God, civil or military authority, civil disturbance, or power line/transmission line voltage. A claim under the Warranty must be made by Customer in writing to AMGAS within thirty (30) days of the manifestation of a material defect with the Equipment giving rise to such Warranty claim. AMGAS' sole obligation under the Warranty is, at AMGAS' option, to repair, replace or correct any such material defect that was present at the time of delivery, or to remove, or have removed, the Equipment and to refund the Purchase Price to Customer. The "Warranty Period" begins on the date the Equipment is delivered to Customer and continues for twelve (12) months. Any repairs under this Warranty must be conducted by an authorized AMGAS service representative. AMGAS does not authorize any person or party to assume or create for it, or extend, enlarge, or transfer, any other obligation or liability in connection with the Equipment except as set forth herein.

THE INDEMNITY AND WARRANTY IN THIS SECTION 10 ARE THE EXCLUSIVE WARRANTIES PROVIDED IN RESPECT OF THE EQUIPMENT AND TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, AMGAS HEREBY EXPRESSLY DISCLAIMS AND EXCLUDES ALL OTHER ALL OTHER WARRANTIES OR CONDITIONS, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, AND WHETHER ARISING BY STATUTE, COURSE OF DEALING OR USAGE OF TRADE, INCLUDING THE IMPLIED WARRANTIES AND CONDITIONS OF MERCHANTABILITY, QUALITY AND/OR FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY WITH RESPECT TO THE FUNCTION, DURABILITY, COMPATIBILITY, OR OPERATION OR USE OF THE EQUIPMENT, AND ANY WARRANTY THAT THE EQUIPMENT WILL MEET CUSTOMER'S REQUIREMENTS.

11. Confidentiality and Non-Disclosure:

By virtue of this Agreement, a party hereto may have access to information of the other party that is confidential to such other party ("Confidential Information"), which Confidential Information, includes the terms of and pricing under this Agreement, and technical and other specifications of the Equipment, the Operations Manual, the Intellectual Property of AMGAS (including Intellectual Property of AMGAS embodied in the Equipment), and all information provided in connection with this Agreement that is clearly identified as confidential or that may reasonably be regarded as such. Confidential Information shall not include information that: (i) was in the in the receiving party's lawful possession prior to the disclosure by the disclosing party and had not been obtained by such receiving party either directly or indirectly from the disclosing party; or (ii) is independently developed by the receiving party.

Customer agrees that, unless required by a court of competent jurisdiction, it shall not disclose or otherwise make available any Confidential Information in any form to any third party at any time. Customer agrees that it will not use any Confidential Information of AMGAS for any purpose other than in connection with its operation, use and maintenance of the Equipment. Customer agrees to take all reasonable steps to ensure that no Confidential Information of AM- GAS is disclosed, distributed, made available to any third party or used by its employees, representatives or agents in violation of the terms of this Agreement.

12. Limitation of Liability:

12.1 TO THE EXTENT PERMITTED UNDER APPLICABLE LAW, IN NO EVENT SHALL AMGAS BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOSS OF PROFITS, REVENUE, OR USE INCURRED BY CUSTOMER OR ANY THIRD PARTY, WHETHER IN AN ACTION IN AGREEMENT, OR TORT, OR OTHERWISE EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. AMGAS' LIABILITY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT,

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INCLUDING CUSTOMER'S USE, OR MISUSE, OF THE EQUIPMENT, SHALL IN NO EVENT EXCEED THE PURCHASE PRICE OF THE EQUIPMENT. THE PARTIES HERETO AGREE THAT THE PROVISIONS OF THIS AGREEMENT FAIRLY ALLOCATE THE RISKS BETWEEN AMGAS AND CUSTOMER AND THE PURCHASE PRICE FOR THE EQUIPMENT FAIRLY REFLECTS THIS ALLOCATION OF RISK AND BUT FOR THIS ALLOCATION AND LIMITATION OF LIABILITY, AMGAS WOULD NOT HAVE ENTERED INTO THIS AGREEMENT.

- 12.2 CUSTOMER SHALL, AT ITS SOLE COST AND RISK, BE RESPONSIBLE FOR AND PROVIDE TRANSPORTATION, STORAGE, DISPOSAL OF SPENT MEDIA IN ASSOCIATION WITH H₂S REMOVAL OR RELATED SERVICES, OR ANY MATERIALS OR PRODUCTS (COLLECTIVELY "WASTE" OR "CUSTOMER WASTE" OR "CUSTOMER'S WASTE") RESULTING FROM SERVICES PROVIDED AT EACH WORK SITE INCLUDING THOSE MATERIALS AND PRODUCTS DEEMED TO BE WASTE BY ANY MUNICIPAL, COUNTY, PROVINCIAL, STATE, TERRITORIAL OR FEDERAL REGULATION, ORDER OR STATUTE.
- 12.3 Pursuant to Section 5.2 and 12.2, in the event AMGAS agrees to facilitate disposal of the Customer's waste, AMGAS shall take diligent steps to protect the environment, which includes proper management and disposal of Customer's waste generated in the course of supplying the products and/or performing the services outlined in a Work Order, in accordance with applicable laws and regulations and best industry practices.
- 12.4 **PURSUANT TO SECTION 5.2 AND 12.3, CUSTOMER SHALL RELEASE, INDEMNIFY, HOLD HARMLESS, AND DEFEND AMGAS, ITS PARTNERS, OFFICERS, EMPLOYEES, AGENTS, REPRESENTATIVES, AFFILIATES, SERVANTS, CONTRACTORS, SUBCONTRACTORS, INVITEES, SUCCESSORS AND ASSIGNS (COLLECTIVELY, "INDEMNITEES") FROM AND AGAINST (I) ALL COSTS, DAMAGES AND LOSSES AND (II) ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION OF ANY NATURE (INCLUDING WITHOUT LIMITATION, CLAIMS, DEMANDS, AND CAUSES OF ACTION FOR BODILY INJURY, DEATH, PROPERTY DAMAGE, OR OTHERWISE) BROUGHT BY ANY PERSON OR THE ESTATE OF ANY PERSON, INCLUDING WITHOUT LIMITATION, BY EMPLOYEES, SERVANTS, AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, INVITEES OR LICENSEES OF GRANTOR OR GRANTEE, OR THE SERVANTS, EMPLOYEES, AGENTS, REPRESENTATIVES, CONTRACTORS, SUBCONTRACTORS, INVITEES OR LICENSEES OF ANY OF THE FOREGOING, AND ANY AGENCY, BRANCH, OR REPRESENTATIVE OF FEDERAL, EITHER STATE OR PROVINCIAL, OR LOCAL GOVERNMENT (AND IN THE CASE OF BOTH (I) AND (II) INCLUDING REASONABLE ATTORNEY'S FEES AND COSTS OF INVESTIGATION AND COURT COSTS INCURRED IN THE ENFORCEMENT OF THIS PROVISION AND IN THE DEFENSE OF ALL SUCH CLAIMS, DEMANDS, AND CAUSES OF ACTION), TO THE EXTENT DIRECTLY OR INDIRECTLY RESULTING FROM, ARISING OUT OF, CAUSED BY, CONNECTED WITH, OR RELATED TO, IN WHOLE OR IN PART, (I) ANY NEGLIGENT ACTS, INTENTIONAL ACTS OR OMISSIONS OF CUSTOMER, ITS AGENTS, SERVANTS, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, REPRESENTATIVES, LICENSEES, OR INVITEES IN, ON, OR ABOUT THE CUSTOMER'S WASTE, (II) ANY ACTUAL BREACH BY CUSTOMER OF ANY COVENANT, MISINFORMATION, REPRESENTATION, TERM, PROVISION, OR CONDITION OF THIS AGREEMENT; (III) CUSTOMER'S FAILURE TO COMPLY WITH ALL**

APPLICABLE LOCAL, FEDERAL AND/OR PROVINCIAL OR STATE/COUNTY LAWS, INCLUDING ENVIRONMENTAL LAWS.

13. Force Majeure:

AMGAS shall not be held liable for any delay or failure in the performance of any of its obligations hereunder to the extent that such delay or failure is attributable to any event or occurrence beyond AMGAS' reasonable control, including, but not limited to, war, civil unrest, acts of terrorism, strikes, lockouts or other labour disruptions, floods, storms, fire, sabotage, explosions, breakdowns or failures of machinery or equipment, or acts of governments or governmental authorities ("**Force Majeure**"). If the performance of any AMGAS obligation is prevented, impeded or delayed by Force Majeure such obligation shall, to the extent its performance is affected by such Force Majeure, be suspended for so long as such Force Majeure continues to prevent, impede or delay performance. If AMGAS claims Force Majeure it shall as soon as practical provide Customer with written notice thereof with reasonable particulars of the event and its expected duration and take all such steps as may be commercially reasonable to resolve the Force Majeure and mitigate the impact thereof.

14. AMGAS Cancellation:

AMGAS may at any time cancel the sale of the Equipment by notice in writing to Customer, whereupon AMGAS shall re-pay Customer all amounts paid by Customer to AM-GAS in respect of the Equipment. AMGAS shall have no other liability or obligation for cancellation of the sale of the Equipment, and upon payment of such amounts and interest AMGAS shall have no further liability or obligations of any nature under or in respect of this Agreement.

15. Lawful Use:

Customer covenants that it will not use the Equipment for any unlawful, improper, or unintended purpose, and will not allow the Equipment to be exported or re-exported to destinations subject to any Canadian and/or United States embargoes or trade sanctions.

16. Notices:

Any formal notice, request, demand or similar instrument given under or in respect of this Agreement must be in writing, and will be considered to have been duly given and received if delivered personally or by prepaid courier service, or if sent by confirmed facsimile transmission, to a party at its address or facsimile number, as the case may be, as follows:

To Customer:	as set out in the Order Form
To AMGAS:	AMGAS SERVICES INC. 261064 Wagon Wheel Cres, Rocky View, AB T4A 0E2 Fax: 403-984-9838

Any notice or other communication so given will be deemed to have been given and received on the first business day on which it is presented during normal business hours at the address for service of the addressee thereof, or, in the case of a direct facsimile telecommunication, on the day on which it is transmitted if transmitted prior to or during normal business hours on a business day, or on the first business day following the day on which it is transmitted if transmitted otherwise. A party may change its address for service by giving written notice thereof to the other party.

17. Governing Law and Jurisdiction:

This Agreement shall be governed by and construed in and interpreted in accordance with the laws when Work Orders entered into apply to a jurisdiction for:

- 17.1 the Province of Alberta (excluding any conflict of laws rules providing otherwise), and each of the parties submits to the exclusive jurisdiction of the courts of the Province of Alberta for the interpretation and enforcement hereof. The United

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Nations Convention on Agreements for the International Sale of Goods shall not apply to this Agreement;

17.2 the state of State of Delaware (excluding any conflict of laws rules providing otherwise), and each of the parties submits to the exclusive jurisdiction of the courts of the State of Delaware for the interpretation and enforcement hereof. The United Nations Convention on Agreements for the International Sale of Goods shall not apply to this Agreement; and

17.3 all other countries for Orders entered into outside of Canada or the United States excluding any conflict of laws that would refer to the laws of another jurisdiction.

18. **Entire Agreement:**

This Agreement expresses and constitutes the entire agreement between the parties with respect to the purchase and sale of the Equipment, and supersedes any previous agreements, commitments, representations, discussions, or understandings of any nature with respect thereto. This Agreement may be amended only by written instrument executed by both AMGAS and Customer.

19. **Assignment:**

Neither party may assign any interest or right in or in respect of this Agreement without the prior written consent of the other party.

20. **Enurement:**

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

21. **Waiver:**

No waiver by either party will be effective unless in writing, and a waiver shall apply only to the specific matter and occurrence

identified in that writing and shall not constitute a continuing waiver unless otherwise expressly stated.

22. **Interpretation:**

For purposes of the interpretation hereof: (a) the use of the terms "herein", "hereof", "hereunder", "hereby" and similar expressions are references to this Agreement generally, and not to any specific part or provision of this Agreement; (b) the term "business day" means any day of the week except Saturday, Sunday or any statutory holiday in the Province of Alberta; and (c) the insertion of headings is solely for convenience of reference and shall not affect the interpretation of any provision.

23. **Counterparts:**

This Agreement may be executed in separate counterparts; in which case the executed counterparts will together constitute one instrument and have the same force and effect as if both parties had executed the same instrument.

Terms & Conditions agreed to by –

Customer Authorized Signature Only

Print Name & Position

Date: _____

SPECIAL TERMS AND CONDITIONS

[if required]