



FOREMOST ENERGY EQUIPMENT GENERAL TERMS AND CONDITIONS (the "Contract") - Updated September 8, 2022

Warranty

Except to the extent expressly otherwise agreed in writing, Foremost Universal LP ("Foremost") warrants the parts it manufactures and the labour it performs relating to the products hereunder against defects in materials and workmanship for a period which expires the earliest of: (a) twenty-four (24) months from the date of manufacture; or (b) eighteen (18) months from the commissioning of such products, with the exception of coating and painting which Foremost warrants against defects in materials and workmanship for a period which expires the earliest of: (a) eighteen (18) months from the date of manufacture; or (b) twelve (12) months from the commissioning of such products. Foremost does not warrant fitness for purpose. The warranties stated in this Contract are Foremost's only warranties to the fullest extent permitted by law.

The preceding warranty statement shall not apply and Foremost assumes no liability for breach of warranty when there is evidence that the failure of the goods was caused, in whole or in part, by misuse or abuse of equipment, negligence in the operation of the goods, Customer and/or third party performed alternations or modifications to the goods, failure to service and maintain the goods as per Foremost's recommendations, the use of maintenance personnel or repair parts not approved by Foremost. In addition, Foremost shall have no liability to Customer or third party for reimbursement of costs or back charges where Customer and/or any third party on behalf of Customer performs any alterations, modifications, or repair work to the goods, without prior approval by Foremost.

Payment Terms

Except to the extent expressly otherwise agreed in writing, Customer shall pay all invoices submitted by Foremost within thirty (30) days of invoice date of such invoice by Customer. All past due invoices shall bear interest on the amount unpaid, from the date until paid, at two percent (2%) per month, compounding monthly. Customer's dispute of any invoice shall not be grounds to withhold payment of such invoice or any other invoice provided that Customer's payment of any such invoice shall not prejudice Customer's right to dispute any such invoice. Customer agrees this is a genuine estimate of damages, and not a penalty. Foremost's right to collect interest is in addition to and without limitation to its rights to pursue any and all other remedies available to it hereunder and at law.

Milestone payments are non-refundable, and would be netted out of any cancellation fees payable.

Security for Payment

Where at any time Foremost reasonably believes that Customer's financial condition renders it at risk of default on its obligations under this Contract, Foremost reserves the right to require security for payment in a manner satisfactory to Foremost acting reasonably, and to suspend work without liability against Foremost, until such security is in place.

Price

All pricing shall be in Canadian Funds. Price and delivery are based on material, equipment, labour (as applicable) costs and availability at the time of our quotation, purchase order acceptance or confirmation of order, as the case may be, including foreign exchange rates where such contracts are denominated in any currency other than the Canadian dollar. Price and delivery will be confirmed at the time it is contracted by Foremost with Foremost's supplier, or otherwise as soon as Foremost obtains firm pricing and delivery from such supplier in respect of such supply. Foremost reserves the right to offset supply cost escalation and to adjust package delivery dates to reflect changes in supply cost and availability, provided that Foremost will charge the difference in cost only. Upon request, Foremost will provide documentation to substantiate any such increases and delivery date changes to Customer.

Cancellation Terms

If Customer terminates the Contract other than due to a material breach by Foremost, Customer shall pay the cancellation fees set out in the Foremost quote. If cancellation terms were not defined in the Foremost quote, the following cancellation fees will apply:

- 15% of the total contract value if cancelled after award;
- 30% of the total contract value if cancelled after Foremost has ordered material;
- 60% of the total contract value if cancelled after receipt by Foremost or its agent of material, but prior to start of fabrication;
- 90% of the total contract value if cancelled after start of fabrication by Foremost or its agent;
- 100% of the total contract value if cancelled after mechanical completion.

Cancellation fees are a good faith, reasonable and genuine pre-estimate of losses resulting from cancellation of the project.

Title, Delivery and Risk of Loss

Title will pass at the earlier of: (a) payment for the goods (including to the extent of any partial payment); and (b) delivery. Unless otherwise agreed to in writing by the parties, delivery will be Ex Works Foremost's facility as per Incoterms® 2010, and risk of loss and transportation will be Ex Works as per Incoterms® 2010.

Changes

If Customer issues an addition, alteration or change order to the scope of work, Foremost shall be entitled to be compensated and scheduling shall be adjusted, within reason, for increased costs, time and resources required as a result of any such addition, alteration or change order.

Delays and Suspension

If at any time Customer wishes to delay or suspend the Contract or a subject purchase order (as applicable), other than in relation to a default by Foremost, Foremost shall be entitled to reasonable adjustments to delivery time and price caused by such delay or suspension. Any delay or suspension by Customer lasting longer than ninety (90) consecutive days or one hundred twenty (120) days in aggregate shall give rise to a right of Foremost to terminate the Contract or subject purchase order and collect the cancellation fees as set forth under the heading Cancellation Terms.

Force Majeure

Notwithstanding anything contained herein to the contrary, neither party shall be liable to the other for failure to perform its obligations hereunder to the extent that the occurrence of an event of Force Majeure renders it commercially unreasonable to perform. Where a party is prevented from fulfilling any obligation by an event of Force Majeure, such party shall promptly give the other party notice of the Force Majeure and the affected obligations in reasonable detail. Any such obligation shall be suspended pending resolution of the Force Majeure, provided however that either party may terminate this Contract without further liability or remedy should any event of Force Majeure remain unresolved for longer than ninety (90) days, except that in the event of such termination, Customer shall be liable to pay Foremost for all work delivered prior to such termination.

For the purposes of this section, "Force Majeure" means an occurrence beyond the reasonable control of the party claiming suspension of an obligation hereunder, which has not been caused by such party's negligence and which such party was unable to prevent or provide against by the exercise of reasonable diligence at a reasonable cost and includes, without limiting the generality of the foregoing, an act of God, war, revolution, insurrection, blockage, riot, strike, a lockout or other industrial disturbance, fire, lightning, unusually severe weather, storms, floods, disruption of public traffic or data communications, accident, shortage of labour or materials, arrests and restraints, civil disturbances, explosions, breakages of or accidents to plant, machinery,

transport or equipment of such party or its suppliers or government restraint, action, delay or inaction, or health crises, pandemics or epidemics, provided that lack of finances shall not be considered a Force Majeure, nor shall any Force Majeure suspend any obligation for the payment of money hereunder.

Confidential Information

Customer shall consider all information furnished by Foremost, or prepared for Foremost under this Contract, in any form whatsoever, to be confidential and shall not disclose any such information to any person without Foremost's prior written consent, or use such information itself for any purpose other than performing the work. Upon termination of this Contract, Customer will, upon request, destroy or deliver to Foremost all confidential information and other reports, summaries or information obtained, developed or derived from the confidential information as a result of this Contract.

Limitation of Liability

Foremost's liability for any claim, breach, action, judgment, loss, cost, expense, fine, penalty or other damage or for any indemnity hereunder shall be limited to the lesser of: (a) \$1,000,000; and (b) the amount equal to the price payable under the Contract, and shall be limited to direct actual expenses and damages only. Foremost shall not, under any circumstances, be liable for any indirect, special, punitive, exemplary, consequential damages, loss of profit, economic loss, loss of opportunity, loss of reputation, loss of use, environmental damage after transfer of ownership, or anticipated savings on costs or expenses. Foremost shall not be liable where and to the extent that the subject loss falls within a peril covered by the insurance policy of the Customer, project owner, buyer, or engineering services firm, as applicable and which will include a waiver of subrogation.

Any obligations, indemnities, liabilities, or warranties extended by Customer to a third party other than those express obligations, indemnities, liabilities or written warranty set out in this Contract, shall be the sole responsibility of Customer, and Customer shall defend, indemnify and save Foremost harmless from any claim, demand, damage, liability, cost or expense, including attorney fees and expenses, arising out of or resulting from such extension by Customer.

Governing Law

This Contract shall be governed by Alberta law and the parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta. The United Nations Convention on the International Sale of Goods shall not apply.

Interpretation

This Contract shall be construed and interpreted in the English language only. The parties confirm that it is their express wish and intention that this Contract, as well as any other documents relating to this Contract, including notices, appendices, orders, confirmations, quotations, schedules and authorizations ("Contract Documents"), have been and shall be drawn up in the English language only. To the extent that any Contract Documents are translated into or otherwise proposed in any other language, the English language version shall prevail to the extent of any of any conflict, discrepancy, inconsistency, ambiguity or difference of any kind between the English language version and any such translated version. Any such translated version shall not be considered evidence of any intention or interpretation whatsoever.

Precedence and Paramountcy

This Contract shall form part of any request for quotation, quotation, purchase order, or agreement to which this Contract is attached or which incorporate this Contract by reference. This Contract constitutes the entire agreement between Foremost and Customer with respect to its subject matter. This Contract supersedes all prior communications, negotiations, representations, understandings and agreements (whether oral or written) which are made prior to the date of this Contract. For greater certainty: (i) any invoice, acknowledgement or other communication issued by Customer in connection with this Contract shall be construed only to be for record and accounting purposes and/or to fulfil the requirements requested; (ii) any terms and conditions stated in such communication shall not be applicable to this Contract and shall not be considered to be Customer's exceptions to the provisions of this Contract; and (iii) trade custom and/or trade usage is superseded by this Contract and shall not be applicable in the interpretation of this Contract. No other terms and conditions, pre-printed, posted, published, or otherwise, shall apply.

FOREIGN SANCTIONS AND EXPORT CONTROL TERMS

Foremost's obligations to fulfil this Contract shall be subject in all respects to Foremost obtaining all requisite export permits and approvals and continued compliance with all related export control, foreign policy, sanctions, anti-bribery and financial transparency laws referred to in this section ("Export Permission").

Customer shall make all commercially reasonable efforts to cooperate with and provide all requisite information to Foremost for the purposes of obtaining Export Permission.

If at any time Export Permission is denied or any investigation, claim or proceeding is brought in connection with Export Permission which obstructs or delays export for 180 days or longer, this Contract shall be terminated immediately without further liability against Foremost.

Customer represents, warrants and certifies that the sale of any product to Customer (including without limitation, our agents, successors and assigns) and thereafter ultimately to any end-user if other than Customer, does not contravene the *Corruption of Foreign Public Officials Act*, (Canada), the *Extractive Sector Transparency Measures Act*, (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act*, (Canada), the *Criminal Code*, (Canada), the *Foreign Corrupt Practices Act*, (United States), the *United Nations Act*, (Canada), the *Special Economic Measures Act*, (Canada), the *Export and Import Permits Act*, (Canada), the *Freezing Assets of Corrupt Foreign Officials Act*, (Canada), or any directives, rules or regulations thereunder or similar law having jurisdiction over the transaction, or any law, sanction, rule, prohibition or restriction imposed by the United States Office of Foreign Assets Control, the United States Bureau of Industry and Security, or any similar or equivalent law or agency of Canada, the United States or any international ally of Canada or the United States having jurisdiction or effecting Canadian policy with respect to the transaction.

Notices

Copies of notices are to be sent to the following addresses:

Foremost Universal LP
6614 50th Avenue
Lloydminster, Alberta T9V 2W8
Attention: Legal Services
Email: legal@foremost.ca
Facsimile: (780) 875-6169

With copy to:

Foremost Universal LP
c/o TOM Capital Management Inc.
#700, 999 – 8th Street SW,
Calgary, AB, T2R 1J5
Attention: Legal Services
Email: legal@foremost.ca
Facsimile: (403) 571-4444 (General)