



Northern Materials Engineering Standard Service Terms

Scope of Services

Northern Materials Engineering Inc. (NME) will only perform those services specifically agreed to in writing and will not be responsible for any matters beyond the written Scope of Work (SOW). Any communications, written or verbal, from NME employees are opinions or observations based solely upon information available at the time and shall not be interpreted as representations or warranties as to the actual circumstances.

Standards of Care

NME's services in all cases must be rendered in accordance with prevailing standards and ethics. Services performed by NME will be conducted in a manner consistent with the level of care and skill standard to the industry under similar conditions. No other warranty, expressed or implied, is made by NME. All other warranties are expressly disclaimed. In the event of any breach of this warranty, NME's sole and exclusive obligation will be to correct or re-perform the deficient service or, at NME's option, to refund the amount paid for the deficient service. Warranty claims must be asserted within fifteen (15) business days after receipt of NME's work or five (5) business days after the purported deficiency was or could have been detected by Client.

Limitations of Liability

NME does not assume any liability for losses or damages, such as personal injuries and property damage, except and only to the extent directly caused by willful or negligent misconduct of NME during performance of the requested services. In no event shall NME's aggregate liability for any reason, in connection with any claim asserted, exceed the amount paid for the services in question. NME shall not be held responsible or liable for any loss, damage, or any delay caused by accidents, strike, fires, floods, or other circumstances or causes beyond NME's control, including actions taken or not taken by Client or other third parties. In no event shall NME be liable for indirect, incidental, special, punitive, or consequential damages including, without limitation, damages relating to reputation, lost business opportunities, lost profits, goodwill, downtime, overhead expenses, loss of use, business interruption, data loss, or other economic loss.

Ownership of Information

All work product of NME, including inspection parameters, inspection procedures, calibration records, analytical data, examination reports, software designs, and documentation (collectively, "Work Product"), shall be owned by NME and may be used by NME for its own purposes. Notwithstanding NME's ownership of Work Product, NME grants Client a fully paid, non-exclusive, transferable, royalty free, restricted license to use NME Work Product solely for purposes associated with Client's facilities. Client shall not allow a third party to use Work Product to compete with NME.

Exclusive Terms

These Service Terms shall govern all services and products provided by NME to Client. No terms or conditions delivered with or contained in any request for services, purchase order, or any other document received for Client shall alter these service terms. Any purported variation of these service terms shall have no effect unless expressly agreed to in writing and signed by an authorized representative of NME. The provisions of these service terms are severable and in the event any provision is held to be unenforceable, the remaining provisions will continue in full force and effect.

Choice of Law

Should any type of dispute arise, these service terms shall be governed by and construed in accordance with the laws of the location where the services in questions were performed without regard to conflict of law principles.

Invoices, Fees, and Reimbursable Expenses

Pricing is based upon NME's Rate Schedule in effect at the time the work is performed unless otherwise specifically stated. Unless agreed to in writing, payment in full shall be made within 45 days of the date of invoice and



thereafter a late charge of 24% per annum (2% per month) on outstanding accounts will be charged. NME reserves the right to charge any extra time or costs that are incurred because of delays, cancellations, or postponements resulting from Client's instructions or mistakes for which NME is not responsible. Payment for services or failure to identify any deficiencies in NME's work product within fifteen (15) business days after receipt of the work product shall constitute acceptance by Client of NME's work and agreement that NME met all applicable contractual requirements.

Additional Terms that Govern Pipeline and Pressure Equipment Integrity Assessment, Integrity Management, and Condition Monitoring Services

Any reports, maintenance plans, inspection plans, and other written materials or statements provided by any employee of NME ("Information") are intended for use by or under the supervision of a Professional Engineer (P. Eng.) employed by Client and/or retained by Client from another vendor. The Information does not contain engineering advice or recommendations. Client warrants that it has a Professional Engineer on its staff that will review the Information and make all repair, replacement, and other engineering decisions, including maintenance plans that it deems appropriate. Client shall always be responsible for making all final decisions regarding all techniques, frequency of inspections, codes, standards, procedures, criteria, severity ratings, root causes, and solutions to prevent or correct failures or other problems with Client's equipment. NME shall not assume any such responsibility, but absent direction from Client, NME will endeavor to make reasonable selections but shall not warrant to Client that it will select the correct ones. Client shall always be responsible for making final decisions regarding maintenance plans. Any statements, recommendations, proposals, or materials prepared by employees of NME are recommendations only and shall be subject to final approval and implementation by Client.

Additional Terms Regarding Professional Engineering Services

Professional engineering services supplied by NME, as per an applicable SOW or Work Order, will be performed according to professional engineering standards. For all such engagements, NME will not be responsible for, control, direct, or supervise: the performance by Client or others of their obligations and responsibilities; construction methods, means, techniques, sequences, or procedures of Client or others; acts or omissions of Client or others; or advice from any independent expert engaged by Client or others. In addition, NME will be entitled to rely upon, and shall have no responsibility for, the accuracy and completeness of all records, information, data, and specifications furnished by Client, consultants and other subcontractors hired by Client, material, or supplies. With regards to professional engineering services, should client notify NME, in writing, of a breach of NME's warranty within 12 months after the completion of services, NME's sole and exclusive obligation and Clients sole and exclusive remedy will be for NME to correct or reperform the deficient service, or at NME's option, to refund the amount paid for such deficient service.