

SCHEDULE A

TERMS & CONDITIONS

1. GENERAL

These Terms and Conditions shall form part of the Offer to which they are attached as Schedule A. Unless specifically agreed or amended otherwise, in writing and signed by Structural Composite Technologies Ltd. ("SCT") and you (the "Buyer"), the Buyer's acceptance of SCT's Offer shall constitute acceptance of each and every term and condition contained herein.

2. TERMS OF PAYMENT

A. The purchase price and payment schedule, for the goods or services to be provided by SCT and paid for by the Buyer shall be set out in the Offer.

B. Unless otherwise stipulated in the Offer or agreed upon prior to the commencement of work by both SCT and the Buyer, invoices rendered by SCT to the Buyer shall be paid within thirty (30) days of the date of the invoice. Any unpaid invoice, or any balance thereof, shall accrue interest at the rate of 2% per month until paid in full.

B. SCT retains the sole and exclusive right to stop work on any project, cease to supply any service or services and/or refuse delivery of any goods to the Buyer if the Buyer fails to pay SCT's invoices on time or at all.

3. DELIVERY AND RISK OF LOSS

A. Unless specified in the Offer, the Buyer shall bear the sole cost and responsibility for the shipment and delivery of goods from SCT's place of business to the Buyer's intended destination. Risk of loss and/or damage shall pass to the Buyer immediately upon the goods being picked up or otherwise removed from SCT's place of business.

B. Unless the Buyer specifies a preferred packing method in writing and at least fourteen (14) days prior to SCT readying the goods for shipment, SCT will package the goods for shipping in accordance with SCT's standard practices for goods of similar nature. Any costs incurred by SCT in relation to the Buyer's request(s) for a preferred packing method or special handling, preservation, waterproofing, weather and hazard protection will be borne by the Buyer. If the Buyer requests a preferred method of packaging or special handling for shipping, the Buyer assumes all risk, loss and/or damage that might result from said packing method or handling method.

C. A claim against Freight in which SCT was the broker must be made by the Buyer to SCT within 24 hours of receipt of the goods.

4. BUYER'S CREDIT

If the financial responsibility of the Buyer is materially or adversely changed or otherwise becomes impaired or unsatisfactory to SCT, or the Buyer defaults under any contract with SCT, advance cash payments or satisfactory security shall be given by the Buyer upon demand by SCT, and SCT may withhold or refuse to deliver the goods until such payment or security is received.

5. FIRM PRICE

Unless stated otherwise, the Offer shall remain valid and open for acceptance for a period of thirty (30) days from the Offer date. The Offer shall immediately expire if not accepted, in writing, by the Buyer within the thirty (30) days.

6. FORCE MAJEURE

SCT shall not be liable for delays in delivery or failure to manufacture due to shop load or causes beyond its reasonable control, whether or not such causes are foreseeable such as acts of God, acts of Buyer, acts of civil or military authority, fires, floods, inclement weather, epidemics, strikes, lockouts or other labor or industrial disturbances, quarantine restrictions, war, riot, government regulations, delays in transportation, car shortages, inability due to causes beyond its reasonable control to obtain necessary labor, materials, manufacturing facilities, delays of subcontractors or suppliers and failure of any subcontractor or supplier to perform.

7. CANCELLATION OF AGREEMENT

Buyer may not cancel this Agreement without the written consent of SCT. If SCT does permit the Buyer to cancel this Agreement, SCT shall be entitled to a reasonable fee for cancellation equal to all costs incurred as a result of cancellation, including labour, materials, overhead and profit.

8. RETURN OF GOODS

Goods manufactured or supplied by SCT shall not be returned without written permission from SCT. SCT is under no obligation to provide written permission, and may withhold it, on a case by case basis, within its sole discretion.

9. JURISDICTION, VENUE AND GOVERNING LAW

This Agreement is made with reference to and shall be construed in accordance with the laws of the province of Manitoba.

10. ARBITRATION

If a dispute arises between SCT and the Buyer concerning any matter arising out of or connected with this Agreement, then said dispute shall be referred to Arbitration and governed by *The Arbitration Act* (Manitoba). All decisions made through Arbitration shall be final and binding.

11. WARRANTY

A. SCT warrants that all goods and services provided by SCT shall be free from defects in materials and workmanship under normal use and service for a period of eighteen (18) months from date of shipment or twelve (12) months from date of initial operation, whichever occurs first.

B. Buyer must give written notice of any warranty claim arising during the warranty period not less than thirty (30) days following identification or discovery of the failure or defect, or following the date such failure or defect could have reasonably been discovered, whichever first occurs. In no event shall any claim hereunder be made later than ten (10) days following the expiration of the warranty period.

C. SCT's warranty excludes coverage or liability in the event of damage, failure, malfunction or defect arising or resulting from regular wear, neglect, misuse, abuse, alteration, modification or repair other than by the SCT, abrasion, accidents, improper handling and maintenance, theft or vandalism. Warranty will also be voided in the event of (i) acts of God; and (ii) physical damage due to scratches, chips, abrasions, dents or substrate distortions of any nature.

D. If during the warranty period, the goods or any part of the goods is suspected to be defective and, through examination by SCT, is determined to be the fault of SCT, SCT will, at SCT's option, repair or replace the goods or that part of the goods which is defective.

E. If the Buyer desires a defect to be corrected under this warranty at a place other than SCT's plant, location of installation or by personnel other than SCT's employees, the Buyer shall pay all costs in excess of those which would have been invoiced by SCT at a straight time rate for the work performed.

F. The warranties for materials and goods manufactured by others, and incorporated by SCT as a part of the Offer, shall be pass-through warranties, and the Buyer shall revert to the original equipment manufacturer for remedies to any warranty problem associated with such materials and goods.

G. This warranty will become null and void in the event the goods and services herein proposed are repaired or replaced by someone other than SCT personnel.

12. LIMITATION OF LIABILITY

A. No liability whatsoever shall attach to SCT until the goods and services at issue in this Agreement have been paid for in full.

B. In no event shall SCT be liable for any incidental or consequential damages resulting from the use, misuse, or inability to use the goods purchased herein.

C. In no event shall SCT be liable for any damages, whether direct, indirect or consequential, resulting from failure to perform or delay in performing any obligations under this Agreement, whether or not any damages are foreseeable.

13. INDEMNIFICATION

The Buyer shall indemnify and hold harmless SCT, employees and affiliates against all claims, lawsuits, losses, liabilities or damages (including legal fees and costs) arising from or in connection with the performance of this Agreement and the goods and services provided hereunder, including but not limited to the Buyer's or any third party's design and specifications of such goods, the installation of goods or placement of goods in the proper environment, the maintenance, repair, or alteration of such goods, the use of such goods, and any and all claims stemming from Buyer's negligence, breach of this Agreement, violations of laws, or omissions. The indemnification provided in this section will be applicable whether or not such claims, lawsuits, losses, liabilities or damages arise out of personal injury, death or property damage, and will apply whether due to defects in the goods or to the negligence of the Buyer, its affiliates, employees or agents, or any third party. However, in no event will Buyer owe Seller indemnification for Seller's negligence.

14. INSPECTION

A. Inspection of equipment in SCT's plant by Buyer or Buyer's representative will be permitted provided, however, prior to inspection Buyer will make necessary arrangements with SCT to minimize disruption of SCT's production activities. SCT reserves the right to restrict access to its plants by Buyer's representatives.

B. Any items that were checked by the Buyer or the Buyer's representative will void any Non-Conformances (NC's) at a future date.

15. CHANGES

A. No changes to the Offer or the scope of work to be performed by SCT shall become effective until agreed in writing by the Buyer and SCT. Any such changes requested by the Buyer and agreed to by SCT shall entitle SCT to an equitable adjustment to the delivery date, purchase price and terms of payment prior to shipment or completion.

B. Significant changes imposed by the Buyer that necessitates substantial redesign to the goods, services or equipment described in the Offer may be subject to additional costs in direct relation to engineering time, labour and materials at an amount to be determined by SCT, in its sole discretion.

16. TOOLING AND MOLDS

All tools, dies, patterns, molds and similar items required to produce the goods shall remain the property of SCT unless right and title to same is transferred to the Buyer under specific terms contained in the Offer.

17. ASSIGNMENT

Neither party shall assign this Agreement to any third party without first obtaining the written permission of the other party.

18. OWNERSHIP AND USE OF DRAWINGS AND SPECIFICATIONS

Drawings and specifications developed by SCT are SCT's intellectual property and shall remain the property of SCT. Buyer may retain copies of drawings and specifications for use in connection with goods purchased under this Agreement. Buyer shall not use the drawings and specifications for any other use including duplication of goods, and shall not disclose the drawings or specifications to any third party without the written permission of SCT.

19. DELAYS IN PROSECUTION OF THE WORK

A. The purchase price in the Offer is based on a timely and continuous manufacture of the work required hereunder. Buyer shall be responsible for such additional costs and/or delays that may be incurred by SCT resulting from Buyer's failure to approve drawings promptly or give the necessary releases to purchase materials and proceed with fabrication and shipment, as well as any other Buyer/Owner delay.

B. Should Buyer request a hold in fabrication, all costs associated with removal of order from production, storage, rescheduling, reconditioning, restoring equipment to production after removal of Buyer's hold, etc. shall be charged to and paid by the Buyer. SCT assumes no responsibility whatsoever for any delay or the consequences thereof, in restoring order to production.

20. BACK CHARGES

A. Any repairs or other warranty work ordered by the Buyer without first consulting SCT and allowing SCT to conduct the work, if the work is deemed necessary, shall be at the Buyer's own expense. No claim for damages, set-off or back charges will be honored by SCT for any reason if SCT was not given the opportunity to 1) determine that the work needed to be done, 2) conduct the work by SCT's personnel or 3) make arrangements for suitable personnel to conduct the work.

B. SCT shall not be responsible for additional expenses incurred by the Buyer consequential to SCT performing work to rectify a warranty claim.

21. MISCELLANEOUS

A. This Offer, once accepted, shall be binding up and shall ensure to the benefit of SCT and the Buyer and each of their respective successors, assigns and personal representatives.

B. This Offer contains all of the promises, agreements, representations, warranties and terms between the parties relating to the transaction contemplated by the Offer. Anything not included in writing in this Agreement will have no force or effect whatsoever.

C. If Buyer requests that SCT hold or warehouse goods after they are ready for delivery, Buyer will pay SCT all costs associated with holding or warehousing the goods, including costs to move, contain or hold goods and a daily rate for storage in an amount to be set by SCT, from time to time. In addition, Buyer will pay the total purchase price within thirty (30) days from the date the Buyer is notified that the goods are ready for delivery.

D. All connections to our product require a field or expansion joint within 1 meter of the flange face to make up for any fabrication tolerances. Hard piping is not an acceptable practice, and will void any related NC's.