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## Statement of Confidentiality & Non-Disclosure

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This document contains proprietary and confidential information. All data submitted to the customer is provided in reliance upon its consent not to use or disclose any information contained herein except in the context of its business dealings with Combustion Solutions Inc. The recipient of this document agrees to inform the customer present and future employees, who view or have access to its content, of its confidential nature.

The recipient agrees to instruct each employee that they must not disclose any information concerning this document to others except to the extent those matters are generally known to, and are available for use by, the public. The recipient also agrees not to duplicate or distribute or permit others to duplicate or distribute any material contained herein without Combustion Solutions' express written consent.

Combustion Solutions Inc. retains all title, ownership and intellectual property rights to the material and trademarks contained herein, including all supporting documentation, files, marketing material, and multimedia.

BY ACCEPTANCE OF THIS DOCUMENT, THE RECIPIENT AGREES TO BE BOUND BY THE AFOREMENTIONED STATEMENT.

## Executive Summary

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Combustion Solutions Inc. is pleased to present ATCO with this proposal for the Preventative Maintenance Program for the Utherm Line Heaters.

Having examined your requirements, we are confident that our proposal will effectively address the client needs to maintain Utherm heaters operations.

Combustion Solutions Inc. understands the requirements to be as such:

### General Requirements:

- ❑ Semi-Annual Preventative Maintenance Program
- ❑ Annual Preventative Maintenance Program
- ❑ Helical Coli Inspection Service
- ❑ Burner Combustion Testing
- ❑ Flame Arrestor Testing
- ❑ Burner Service
- ❑ Fire Cage / Refractory Inspection
- ❑ Procedure in the event of equipment failure
- ❑ Training Program for ATCO GAS Employees

# 1. Service Program

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## 1.1 Semi-Annual Preventative Maintenance Program

Items checked / performed under this service program:

- a. Check power supply voltage output to be 24V adjust if off by more than 0.3V. Put before and after values on report.
- b. Re-tighten all wire screws terminals on control panel if needed.
- c. Test Local ESD trip and RESET button. If problem with buttons are diagnosed, replace.
- d. Check for blown fuses, and diagnose and correct cause if any found blown. Replace blown fuses if any and record these in report.
- e. Check watchdog timer and master relays.
- f. Check drum level.
- g. Check drum level switch and trip.
- h. Check drum temperature on HMI (if Utherm is equipped with this) and compare to gauge. Change out either gauge or RTD or transmitter if a too large deviation is noted.
- i. Check heater outlet temperature on HMI and compare to gauge (if available). Change out either gauge or RTD or transmitter if a too large deviation is noted.
- j. Test heater outlet temperature alarm.
- k. Check heater outlet control temperature on HMI and compare to gauge (if available). Change out either gauge or RTD or transmitter if a too large deviation is noted.
- l. Check drum vacuum. If vacuum seems to have lessened over previous period, diagnose and correct cause and re-pull vacuum. Replace drum pressure gauge if suspected to be faulty.
- m. Check switch to Manual mode on HMI. Change out key-selector switch if not working.
- n. Check stage selection on HMI and check fuel solenoid valves (that the right ones open and close when switching stages).
- o. Test whether it is possible to start heater using either ignitor/unispark. Adjust igniters/unisparks or replace when worn.
- p. Check pressure regulator stability, replace if swings of 5psi or more occur on start-up or when switching stage manually between lowest and highest stage.
- q. Check with a once per year calibrated Crystal Digital Pressure Gauge the fuel pressure gauges accuracies. Adjust if gauges can be calibrated; otherwise write deviation on unit (and record in report). If deviation is more than 15% replace gauge(s).

- r. Using digital Crystal Pressure Gauge checks Low Fuel Pressure Switch setting and trip and adjust if needed. Put before and after values in report. Change out Pressure Switch altogether if found to be faulty.
- s. Using digital Crystal Pressure Gauge checks High Fuel Pressure Switch setting and trip and adjust if needed. Put before and after values in report. Change out Pressure Switch altogether if found to be faulty.
- t. Using digital Crystal Pressure Gauge set burner pressure. Put before and after values in report.
- u. Check lens Fireye flame scanner and clean if needed.
- v. Test flame scanner trip.
- w. Perform visual check of flame arrestors on both sides. If found to be non-clean or otherwise damaged, follow steps in flame arrestor section below to correct the problem.
- x. Perform visual inspection through looking glass if burner mesh seems to be undamaged. If visual inspection found to be unsatisfactory, a burner service (see below) is required.
- y. Using a flow meter (ultrasonic, DP or PD), check gas flow per individual mixer. Record on report. If values deviate from their known values check for plugged orifices. Clean orifices, or replace if orifices are found to be worn.
- z. Perform burner efficiency test with a Calibrated Combustion Analyser:
  - Date /Time
  - Site Location
  - Technician
  - Valve open percentage
  - Burner Pressure / Flow
  - Ambient Temp
  - Ambient Humidity
  - Ambient Pressure
  - Weather Conditions (no, low or high wind conditions, precipitation)
  - Efficiency
  - O<sub>2</sub>% / CO ppm / NO<sub>x</sub> ppm
  - Flue Gas Temperature
  - Picture / video of flame
  - Comments and recommendations
  - Safety issues, recommended upgrades
- aa. Measure Firebox back-pressure and emissions
- bb. Check trip log and record results

If values deviate from their known values, check air-mixer discs and check air-mixers for clogging.

If this doesn't resolve the gas analysis problem, burner mesh should be checked.

If burner mesh found to be in order, a fire cage / refractory check as required.

Estimated duration time: 8 hr. for 1 service technician

### **1.2 Annual Preventative Maintenance Program**

The following items are checked performed in addition to the semi-annual items:

- a. Strainer basket to be removed and cleaned
- b. Fuel safety solenoid valves to be leak tested
- c. Test gas pressure relief valve and adjust as required
- d. Test glycol for pH and refractive index
- e. Test drum pressure switch and recalibrated if required. Replace if found to be defective.
- f. Check rupture disc to make sure no debris on the disc.
- g. Removing and inspecting the burner

Estimated duration time: 8 hr. for 1 service technician

### **1.3 Helical Coil Inspection – every 5 years**

CSI Coil Services to include the following:

- a. Isolate / de-pressure helical coil following energy isolation procedure.
- b. Removal of top head studs and nuts.
- c. Use of picker crane truck for removal of stack and helical coil.
- d. Helical coil lifting / removal for inspection.
- e. Use of portable engine driven air compressor and pig launcher / receiver, to pig coil for removal of any dirt build-up.
- f. External Visual Inspection of coil.
- g. UT of elbows / critical bends to ensure adequate metal thickness.
- h. Replace head gaskets.
- i. Reinstall helical coil into steam drum.
- j. Re-install studs and nuts and re-torque to manufacturers specs.
- k. Replace stack.
- l. Re-pull vacuum.
- m. NDE

Note if a coil defect is found, it can be repaired by the manufacturer.

Estimated duration time: 24 hr. for 2 service technician

#### **1.4 Individual Burner Combustion Testing – on client’s request**

Burner efficiency testing with Calibrated Combustion Analyzer – please refer to section 1.1z

Estimated duration time: 5 hr. for 1 service technician

#### **1.5 Flame Arrestor Inspection, Cleaning & Testing**

If flame arrestor does not pass visual inspection during semi-annual maintenance, the following steps need to be performed:

- a. Removal of flame arrestor cell for inspection and cleaning with compressed air.
- b. Visually inspect the flame arrestor for integrity.
- c. Visually inspect the flame arrestor for possibility of breaches.
- d. Insure all caps, bolts, and nuts are not missing.
- e. Ensure the gaskets are intact.
- f. Ensure all flange faces meet and have no breaches to atmosphere.

Estimated duration time: 5 hr. for 2 service technicians

#### **1.6 Burner Service**

A Burner service is required if burner mesh visual inspection warrants this, or Burner Combustion Test warrants this after air-mixer cleaning. CSI to include the following services for burners:

- a. Burner assembly to be pulled.
- b. The radiant metal fibre matrix burner to be pulled and inspected. Replace if needed.
- c. Burner Cone assembly to be inspected. Repair or replace if needed.
- d. Burner assembly to be re-installed and gaskets replaced.
- e. Combustion to be retested (see burner combustion testing).

Estimated duration time: 8 hr. for 2 service technicians



## **1.7 Fire Cage / Refractory Inspection**

CSI to include the following services for the Firecage/ Refractory:

- a. Confined Space Entry Plan.
- b. Firebox to be entered through the access hole after burner removal.
- c. Inspection of refractory for damage to clips or fibre walls/ floor.
- d. Inspection of firecage for hot spots.
- e. Inspection of finned tubes for sooting or fouling.
- f. Replace access hole and burner assembly.
- g. Use picker truck to remove chimney
- h. Inspect top finned tubes for sooting or fouling.
- i. Inspect and clean condensate collector.
- j. Replace gaskets), and re-install chimney.
- k. Re-test combustion (see burner combustion testing)

Estimated duration time: 16 hr. for 2 service technicians

Note that additional charges will arise if:

- A defective firecage needs to be repaired (damaged tube).
- Defective glycol can be replaced.
- Loss of vacuum can be repaired.

## 2. Training Programs

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### Utherm Class Room Training Course

- a. Annual or semi-annual.
- b. One (1) day course.
- c. 20-25 people to attend.
- d. Training room or location supplied by client.
- e. Course Curriculum (consisting of):
  - Overview of the Utherm design and feature
  - Heater Control Systems / Burner Management System
  - Installation, Commissioning and Start-up
  - Operations and Maintenance
  - Documentation and P&ID Review
  - Trouble Shooting
- f. Following the course operations personnel should have the:
  - Ability to explain working principles of the Utherm
  - Ability to locate and identify the components, and explain their functions.
  - Ability to perform start-up procedures and shut-down procedures.
  - Ability to monitor and adjust the control system
  - Ability to validate equipment safeguarding devices and settings

### Utherm on Site Course

- a. 4 annual courses
- b. ½ day Course
- c. Max 5 people to attend.
- d. Course Curriculum (consisting of):
  1. Tail Gate Safety Meeting / Hazard Assessment
  2. Complete Visually Safety check Listed
  3. Basic overview of the Utherm Heater
  4. HMI operation – navigation, understanding
  5. BMS Operation – purging, ignition, FFRT, retrials, trips
- e. Physical check and function test
  6. Flame failure detection system
  7. Interlocks and shutdowns
- f. Recommend maintenance and testing
  8. Igniter and burner components
  9. Combustion air supply

10. Verification of instrumentation setting and relief valves
11. Validate fuel gas regulator operation and set point
12. Verification of alarms or shutdown actions
13. Visually inspection the flame arrestor

#### **Advanced Control Systems Course**

1. One (1) day course.
2. Morning class room and afternoon site training.
3. Course curriculum (consisting of):
  14. Steam Temperature vs Vacuum relationship
  15. Effect of Coil Gas pressure, inlet temperature and flowrate on heater duty.
  16. Pressure drop through heater coil and effect on duty.
  17. Process Coil Outlet Temperature Control (staging)
  18. Heater PID controls
  19. Cascade controls – outlet temperature to drum temperature.
  20. Bath Temperature Control (cycling)
  21. Heater Tuning, Low Fire Start, Minimum Cycle Time
  22. Advanced Troubleshooting
    - ✓ Igniter switching
    - ✓ Pressure switch adjustment
    - ✓ Regulator adjustment.
    - ✓ RTD testing.
    - ✓ Flame Scanner Cleaning

Utherm Training Program priced on individual cases

### 3. Pricing

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Table 1. Pricing Breakdown

	Deliverables	Estimated Amount
	1.1 Semi-Annual Preventative Maintenance Program 8hr.	\$800
	1.2 Annual Preventative Maintenance Program 8hr.	\$800
	1.3 Helical Coil Inspection 48hr.	\$4,800
	1.4 Individual Burner Combustion Testing 5hr.	\$500
	1.5 Flame Arrestor Inspection, Cleaning & Testing 10 hr.	\$1,000
	1.6 Burner Service 16hr.	\$1,600
	1.7 Fire Cage / Refractory Inspection 32hr.	\$3,200

#### 3.1 Currency CAD

## **4. Proposal Terms and Conditions**

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### **4.1 Validity**

This proposal is valid until December 2016.

### **4.2 Taxes and Duties**

All applicable sales taxes and duties extra. Where applicable, such taxes and duties will be charged at rate prevailing at the date of the invoice.

Where tax exemptions apply, Client is to provide Tax Exemption Certificates with the Purchase Orders.

### **4.3 Terms of Payment**

- **100% payment upon completion**

All equipment and general costs (e.g. travel expenses), and man-hours used to complete the service call and training will be billed.

Payments shall be made 30 days after receipt of invoice.

Payment must be direct deposit and must be made payable to Combustion Solutions Inc.

### **4.4 Delivery Terms**

FCA: Combustion Solutions Inc. Calgary, Alberta Canada.

### **4.5 Travel and Living Expenses**

All travel and living expenses incurred on the project are extra and billable at cost + 15%

## 5. Appendix A

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### STANDARD TERMS AND CONDITIONS OF SALE

Combustion Solutions Inc.

#### DEFINITIONS

- a. **“Agreement”** means the Purchaser’s agreement to purchase the Product(s) from the Seller;
- b. **“Purchaser”** means the company, partnership, person or entity purchasing the Product(s) from the Seller identified in the Purchase Documents;
- c. **“Product(s)”** means the equipment parts and materials (the Goods) being purchased by the Purchaser identified in the Purchase Documents;
- d. **“Service(s)”** means employment in any duties or work for the Purchaser;
- e. **“Purchase Documents”** means the documents accompanying these Terms and Conditions which more fully describe the Products being purchased from the Seller, including, as applicable, the Purchaser 's request for quotation, purchase orders, and the Seller's quotation;
- f. **“Company”** and **“Seller”** means Combustion Solutions Inc. and any affiliate or related company identified in the Purchase Documents;
- g. **“Carrier”** means any person who, in a contract of carriage, undertakes to perform, or procure the performance of, transport;
- h. **“FCA”** means that the Seller delivers when he places the Product(s) at the disposal of the Purchaser at the Seller's premises. In this case it will be ex Works Squamish, BC workshop and CSI will load the Product(s) on the Carrier contracted by the Purchaser and will provide documentation to allow the Purchaser's Carrier or Agent to clear through Customs at the Border.

#### GENERAL

The possession of the Combustion Solutions Inc. (the “Company”) catalogue and/or literature is not to be construed as an offer to sell the Goods listed therein. All orders shall be subject to the approval and acceptance of the Company. Purchaser must express in writing to the Company any objection Purchaser has to the terms and conditions contained herein within five (5) days of receipt of this document, otherwise assent to the terms and conditions herein shall be conclusively presumed.

All Company quotations or proposals, all acceptances of Purchaser’s orders, and all sales by the Company are expressly limited to, and expressly made conditional upon, the Purchaser’s acceptance and assent to the Standard Terms and Conditions of Sale as set forth herein, notwithstanding receipt of, or acknowledgement of, the Purchaser’s order form or specifications containing additional or different provisions or, conflicting oral representations by any agent or employee of the Company. No waiver, change or modification of any terms or conditions on the face or reverse hereof shall be binding on the Company unless made in writing and signed by an officer of the Company. Unless, expressly stated otherwise, all Company quotations, prices and terms are expressed in Canadian Dollars.

#### PRICES AND TERMS

Unless otherwise specified by the Seller, the Seller’s price for the sale of the Product(s) will remain in effect for thirty (30) days from the date of the Seller’s quotation. The Seller’s prices do not include applicable tax which will be added to the prices quoted and appear as a separate line item on the Seller’s invoice. The Seller’s prices also do not include third party testing or inspection and associated documentation unless quoted as an additional extra charge.

All prices are subject to change without notice. Minimum billing is \$100.00. Terms are 30 days net from the date of invoice, subject to approved credit. Shipments can be expedited, prior to establishing credit, by including cheque / direct deposit with order for full amount or including cheque / direct deposit for 1/3 down and specifying C.O.D.

Any order valued at \$20,000 or more for non-standard material shall be subject to progress payment terms.

Any order originating outside Canada or the contiguous United States, Alaska, Hawaii shall be subject to an Irrevocable Letter of Credit confirmed by a Canadian Bank or by a sight draft.

If, at Purchaser's option, completion of manufacturing is delayed beyond 180 days after receipt of an order, starting on that date a price escalation of 1% per month of the gross order amount will apply. Further, if at Purchaser's option, shipment of an order is delayed more than ten days after completion of manufacturing and acceptance of testing i.e. the Goods are ready to ship, Purchaser will be invoiced at that date and will be responsible for any storage and/or other related costs.

The Company reserves the right to ship equipment and invoice for same even though minor components are backordered, if the missing items are late due to circumstances beyond the Company's control and said components will not prohibit initial installation work by the Purchaser.

A finance charge at a rate of 1.5% per month (annual percentage of 19.5618%), or the maximum allowable rate, whichever is less, will be added to unpaid invoices over 30 days old. The said interest shall relate back and commence from the date of invoice.

#### **PERFORMANCE WARRANTY**

The Company warrants to the original Purchaser that the equipment of its manufacture will perform at rated capacity as stated only when:

1. Properly installed, connected, started, operated and maintained in accordance with Company instruction(s), and/or Information Guide(s), as revised from time to time, and;
2. Parts and/or accessories or components replaced or changed are approved in writing by the , and
3. Repairs, alterations, modifications or changes are approved in writing by the Company, and;
4. Used for the applications specified and;
5. Used in the environments as specified or as limited. If equipment is part of a greater system, the Company accepts responsibility only for the equipment manufactured by it and only when Purchaser complies with the restrictions herein.

The Company shall not be responsible or liable for any claims and / or losses, direct, indirect, incidental, consequential, punitive or otherwise arising out of the election of its products to fulfil the requirements of any plans and specifications.

#### **CAUTION**

**DUE TO THE NATURE OF FUEL-FIRED EQUIPMENT, IT'S CONTROLS AND ACCESSORIES, AN EXPLOSION AND FIRE HAZARD WILL ALWAYS EXIST. TO MINIMIZE SUCH HAZARDS, THIS EQUIPMENT MUST BE INSTALLED. OPERATED AND MAINTAINED IN**

#### **LIMITED WARRANTY ON THE EQUIPMENT ITSELF**

The Company, for a period of eighteen (18) months from shipment or twelve (12) months from start-up, warrants each product or system of its own manufacture, with the exception of burner blocks and any other refractory materials and flame rods, spark plugs, thermocouples and any consumable materials (which the Company does not

warrant), to the original purchaser to be free from defects in material and workmanship under normal use, service and maintenance. Normal use, service and maintenance means:

1. Not in excess of the maximum pressures, temperatures, volumes and rated capacities or other parameters specified in the Company's Product Bulletins, Specification Sheets, and/or quotation(s).
2. Using only fuels specified in the Company's Product Bulletins, Specification Sheets, and/or quotations.
3. Operation and maintenance in compliance with the appropriate Instructions and/or Information Guides.
4. Products or Goods not of Company manufacture supplied in piece, or as components to a system designed or sold by the Company, are not covered by this warranty other than any adjustment or warranty obtained from the manufacturer of that component or product to the extent that such adjustment or assignment of warranty is not prohibited.

This warranty does not apply to damage caused by any or all of the following circumstances or conditions:

1. Failures not reported in writing to Company within the warranty period above specified;
2. Freight damage, as Purchaser's remedy for any such damage shall be from the carrier;
3. Parts and/or accessories or components replaced or repairs, alterations, modifications or changes made by Purchaser or authorized by Purchaser without written consent of Company;
4. Any consequential, direct, indirect, incidental or other damage arising from the use of the product, system or other Goods manufactured or sold by the Company;
5. Misapplication, misuse, abuse and failure to follow the Product Instruction Sheets and/or information Guides.

The sole and exclusive remedy, under this warranty, for any claim of damage in connection with the sale or furnishing of materials by Company, shall be limited to the repair or replacement, without charge for labour to repair or materials to replace, of any parts found upon examination by the Company to have been defective.

The warranty shall not include field erection costs, if any, including labour cost to remove, replace or reinstall parts or materials, travel and living expenses. The Company shall not be deemed to have failed in its essential purpose so long as Company is willing to repair or replace any defective parts or materials. The Company reserves the right to replace returned material with equivalent devices. Generally, consent for the return of items to Company, if given, will be upon the condition that the purchaser assumes and prepays all carrier charges.

This warranty is exclusive. The Company expressly disclaims any and all other warranties and conditions, whether expressed or implied, including any implied condition or warranty of merchantability or fitness for a particular purpose.

No person, including any dealer or representative of the Company, is authorized to make any representations concerning the Company's products or systems on behalf of the Company or to assume for the Company any obligations beyond those contained in this warranty. The Company reserves the right to make design and other changes, modifications or improvements upon its products or systems, without any obligation to install same on any previously sold or delivered products or systems.

#### **LIMITATION OF LIABILITY**

It is expressly agreed that the Company's liability is limited as stated herein. If the Company should be found liable to anyone (except any express warranty where the remedy is set forth in this document) for loss, harm, or damage, the liability of the Company shall be limited to the lesser of the actual and direct loss, harm or damage, or the original purchase price of the involved equipment, system or service when sold (or when service performed) by the Company to its Purchaser. This liability is exclusive and regardless of cause or origin resulting directly or indirectly to person or property from:

1. The performance or non-performance of any obligation set forth in this warranty;
2. Any agreement, oral or written, including specifications, between the Company and the Purchaser;
3. Gross negligence of the Company or any of its agents, employees, or independent contractors;
4. Breach of any judicially or legally imposed warranty or covenant and;



## 5. Misrepresentation or strict liability involvement.

The Seller shall not be liable for any kind of consequential damages including loss of anticipated profits, loss of use of equipment or any associated equipment, the loss of product from the Purchaser's facility(s) or the loss of capital however caused. The Purchaser agrees that the Seller's sole and exclusive liability for any and all losses and damages arising out of, or connected in any way with, the Product(s) provided by the Seller shall be limited to the repair, correction or replacement of the Product(s) in accordance with the terms of the limited warranty set out herein.

Purchaser shall indemnify and hold the Company harmless against any and all debts, obligations, costs and damages, including solicitor fees on a solicitor and his own client basis and other legal costs, arising from any claims or causes of action, whether in law or equity, or arising in contract, tort or otherwise, which may be asserted against the Company by any person or entity or government authority not a party to this Agreement, resulting from the subsequent sale by Purchaser or the installation/reinstallation by Purchaser, use, repair, maintenance or decision to purchase the Goods and materials described herein, provided, however that this indemnity and hold harmless provision shall not apply to the Company's own acts of wilful misconduct in the initial production thereof. It shall be the responsibility of the Purchaser to ensure that the Purchaser complies with applicable laws in the jurisdiction(s) in which it subsequently sells, installs/reinstalls, uses, repairs, maintains and purchases the Goods and materials described herein. The provisions of this indemnity and hold harmless provision shall apply to any non-compliance by the Purchaser of any such applicable laws.

## **PATENTS**

Subject to the limitations of liability set out herein, the Seller shall defend any suits brought against the Purchaser based upon a claim that the use of the Product(s) manufactured by the Seller constitutes an infringement on a valid patent of Canada or the United States and the Seller shall pay any damages awarded therein as against the Purchaser, provided that the Purchaser promptly notifies the Seller in writing of such a suit or threat thereof; permits the Seller to control completely the defense or compromise of such a claim; and provides all reasonable assistance and co-operation requested by the Seller for the defense of such a claim. In the event that the Product(s) manufactured by the Seller is held to be infringing a patent in any such suit and its use is enjoined, the Seller shall, at the Seller's option and expense, procure for the Purchaser the right to continue using the Product(s), replace it with non-infringing Product(s) or modify it so it becomes non-infringing. The Purchaser agrees that the Seller shall not be liable for any action for an infringement, and that the Purchaser shall fully indemnify the Seller in respect thereof, if the infringement action is based upon the use of the Product(s) in connection with other products or equipment not manufactured by the Seller, the use of the Product(s) in any manner for which the Product(s) was not designed by the Seller, or if the Product(s) was designed by the Purchaser or modified by or for the Purchaser in a manner to cause it to infringe any patent.

## **DELIVERY**

The quoted time of delivery is understood to be from date of receipt of all necessary information including Purchaser's approval, if applicable. Purchaser accepts delivery by instalments. Any delay in delivery of any instalment shall not relieve purchaser of its obligation to accept remaining deliveries. The Company shall not be liable for damages or for cancellation of the contract as a result of any delay due to any cause beyond the Company's reasonable control including, but not limited to, acts of God, acts of the purchaser, embargo, or other governmental acts, regulations, or requirements, fire, accident, labour disputes, war, civil insurrection or riot, delay in transportation, or the inability to obtain necessary labour, materials, or manufacturing facilities. In the event of any such delay, the date of delivery may be extended for a period equal to the time lost by reason of the delay. Inspection of products, if requested, shall occur at the Company's place of business, conducted by Purchaser or its authorized representative. It is agreed that the Purchaser shall notify the Company of any shortage within fifteen (15) days of receipt of the Goods.

All shipments, unless otherwise specified, shall be FCA Company facility and the Purchaser assumes responsibility for damage or loss in transit. In the event of loss or damage incurred in transit, claims for parts broken or lost in shipment are to be filed with the Carrier by the Purchaser. Purchaser bears the risk of loss during transit. In case of partial or total loss, the Purchaser promises that any settlement arising therefrom with the Purchaser's Insurer or the Carrier or its insurance shall be payable to the Purchaser and the Company, jointly, according to their respective interest.

Title to the Product(s) shall pass to the Purchaser on the Purchaser making payment in full for the Product(s). Payment is considered effective once the funds have been cleared by the Purchaser's bank.

#### **INSURANCE**

The Purchaser shall provide, at its expense, property damage insurance or "all risk" insurance covering the full cost of the Seller's Product(s) while the Product(s) has been delivered by the Seller in terms of this Agreement but is in transit or at a location and not yet paid for by the Purchaser. This insurance will name the Seller of the Product(s) as additional insured with a waiver of subrogation against all insured parties thereunder.

#### **PACKAGING**

All prices are based on domestic packaging. For export packaging, contact the Company for pricing.

#### **CANCELLATION OF ORDERS**

If, for any reason, the Purchaser desires to cancel an order, such cancellation shall only be with the written consent of the Company, and then only after payment is made to the Company for all costs incurred which shall include, but not be limited to, material purchased in anticipation of the fulfilment of the order, labour, overhead, and reasonable profit.

#### **RETURNS AND RESTOCKING CHARGES**

Equipment may be returned only upon prior written authorization of the Company. Generally, consent, if given, will be upon the condition the Purchaser assumes all carrier charges, responsibility for damages in transit, and a restocking charge, and then only if the so-authorized material is in new and unused condition and returned within one year from the original date of shipment. The credit will be based on the original invoice price or the current price, whichever is higher, less the applicable restocking charge.

#### **INSTALLATION AND SERVICE**

Unless otherwise noted herein, the cost of the equipment does not include installation, start-up or service. All services performed by the Company are subject to Purchaser's payment of the Company's prevailing charges including necessary travel and living expenses.

#### **TAXES**

Any tax or taxes that may be imposed upon the Goods and/or services that are the subject of this sale or upon the sale or delivery shall be added to and become a part of the contract price.

#### **GOVERNING LAW**

This contract is governed by the laws of the Province of British Columbia, specified by the Company, as shown by the address of Company which is printed on the face of this quotation or acknowledgement. The parties irrevocably attorn to the jurisdiction of the Courts of such Province.

**PROVISIONS**

- a. Purchaser shall not assign its rights or obligations under this Agreement without Seller’s prior written consent;
- b. No action, regardless of form, arising out of transactions under this Agreement, may be brought by either party more than two (2) years after the cause of action arose.

**ENGLISH LANGUAGE**

The parties have requested that this “Standard Terms and Conditions of Sale” be drawn up in English.  
Les parties ont exigé que le présent contrat “Modalités de Vente” soit rédigé en anglais.

**SIGNATURE**

The present Standard Terms and Conditions of Sale has been read, understood and agreed by the Purchaser and each page has been initialed:

Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## 6. Appendix B

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CSI Field Services Rate Sheet Effective through December 31, 2016

### FIELD SUPPORT SERVICES

Automation Specialist	<b>\$125.00</b>	per hour
Combustion Service Technician	<b>\$100.00</b>	per hour

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### TRAVEL RATES:

Regular Travel Time for Field Services up to 10 hours	<b>Base Rates Apply</b>
Travel Time for Field Services over 10 hours, Sundays & Holidays	<b>Overtime Rate Apply</b>

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### PREMIUM RATES:

Applies to work or training in excess of 8 hours per day, but less than 12 hours per day, Monday - Friday	<b>50%</b>	premium over base
Applies to work or training on Saturday	<b>50%</b>	premium over base
Applies to work or training performed on Sunday, Holidays, or in excess of 12 hours per day, up to 16 hours per day	<b>100%</b>	premium over base
Special rates beyond 16 hours per day will be negotiated on a separate basis	<b>TBN</b>	
Standby Rate	<b>Base Rates Apply</b>	

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### EXPENSES:

Travel, Accommodation	<b>Actual Cost + 15%</b>	
Meals	<b>\$80.00</b>	per day
Travel to/from Airport	<b>\$60.00</b>	each way

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### CANCELLATION CHARGES:

Prior to departure for travel expenses incurred (i.e. airline/change fees)	<b>Actual Cost + 15%</b>
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**RENTAL & OTHER CHARGES**

Tools	<b>Rental Cost +15%</b>	
Equipment	<b>Actual Cost +15%</b>	per day
Tool Truck	<b>\$35.00</b>	per hour
Mileage	<b>\$1.00</b>	per km
Third Party Charges	<b>Actual cost +15%</b>	
Contractor supplied material	<b>Actual cost +15%</b>	

**TERMS AND CONDITIONS:**

**Minimum Daily Charge.** The minimum billing will be for eight (8) hours for all base rates or combinations of base rates. Travel time will be billed in addition to service time.

**Overtime.** The overtime rate applies to work in excess of eight (8) hours per day (weekdays), and all Saturday work. Field services personnel are NOT required, and may decline, to work in excess of twelve (12) hours per day. If CSI permits personnel to work in excess of twelve (12) hours, time charged shall be at the Premium Rate.

**Standby Rate.** Applies to the time field service personnel are available for work and are located at or near the job site but unable to work due to circumstances beyond their control. This time shall be considered time worked and will be charged at the applicable base rate or premium rate.

**Maximum Time on Worksite.** Field service personnel will be rotated after twenty-one (21) days on site with a 2-day overlap to coordinate the job. The customer is responsible for all expenses associated with the rotation policy.

**Travel Time.** Travel includes transportation to and from the airport, security clearance, time between flight changes, driving time and local travel to and from worksite. Travel time in excess of eight (8) hours will be billed at a premium rate. Layover charges apply.

**Field Service Base Rates.** Rates are calculated from the time that an employee departs Squamish, BC or Calgary, AB until the day the employee returns to the CSI office location and includes weekends and holidays.

**Transportation.** The customer is responsible for reimbursing CSI for all transportation charges associated with service work. Intercontinental travel will be booked as business-class. All other flights will be booked as coach-

tourist class unless is unavailable. Rental cars, gas, taxis, airport / hotel limousines, company or personal vehicle will be used when necessary.

**Hazardous Location.** CSI reserves the right to refuse to dispatch personnel to worksites threatened by warfare, terrorist activities, or other unsafe conditions as determined by Management. In addition CSI reserves the right to recall personnel if the worksite does not meet reasonable health and safety standards.

**Accommodations & Subsistence.** If an overnight stay is required, the customer is responsible to reimburse CSI for lodging charges. Extended stay may include incidental charges for items such as laundry, newspaper, room snacks, phone calls, etc. Hotel rooms will be booked on a business executive, single occupancy basis. Some construction job sites or offshore work provides accommodation and catered meals. For those job sites, single occupancy, Senior Engineering Staff Accommodation shall be provided.

**Expenses.** The customer is responsible for all expenses associated with service work. All travel expenses including airfare, taxi, mileage for personal vehicle, living accommodation and subsistence, including incidentals, will be invoiced at cost +15% handling fee. Invoices will include a cost breakdown into categories. Copies of receipts will not be furnished unless specifically requested. Original receipts cannot be provided. Receipts for values of less than \$25.00 cannot be provided. Use of personal or company owned vehicle will be invoiced at the rate set by Revenue Canada mileage regulations.

**Visas, Work Permits & Local Taxes.** The customer is responsible to pay any and all taxes, our fees, or special assessments that result from local regulations. If a visa or work permit is required before departing for an international assignment, the fee will be charged to the customer at actual cost (including any expediting charges) +15% handling fee.

**Insurance.** All field service personnel are insured. A liability insurance certificate can be provided; however, the request must be made a minimum of 3 weeks in advance of the scheduled work to allow sufficient time for document processing.

**Scheduling - 10 Working Days' Notice.** Requests for field service shall be made in writing (email to [elwira@combustionsolutions.ca](mailto:elwira@combustionsolutions.ca)) and confirmed verbally. Ten (10) working days' notice should assure that your request for service can be honored.

**Purchase Orders.** A purchase order (PO) is required BEFORE any arrangements are made. The PO is to be made out to Combustion Solutions Inc. and will contain the following information:

- 1) Purchaser's Name
- 2) Company
- 3) Billing Address
- 4) Type of Services Requested
- 5) Dates of Service

An acknowledged copy of purchase order and/or cost estimate must follow any preliminary arrangements.

**Payments.** Field services performed in Canada are in Canadian Currency and all payments must be in Canadian Dollars. Field services performed in the US and other countries except Canada are in US Currency and all payments must be in US Dollars. Payment is due NET 15 DAYS from the date of invoice.

**Applicable Law.** Any purchase order accepted by CSI in conjunction with Field Service Work, shall be deemed to have been executed, delivered and accepted in Province of British Columbia, Canada and shall be governed, constructed and enforced pursuant to the Laws of the Province of British Columbia, Canada.

**Warranties.** CSI warrants field service workmanship per the contractual warranty for the sale of Goods manufactured by CSI. Any hardware sold by CSI will carry the original manufacturer's warranty.

CSI disclaims all liability for claims of actual, direct, special, incidental, or consequential damages arising from the installation, erection, startup or field testing of such equipment, whether performed with or without CSI supervision, whether such claims are based on breach of contract, tort (including negligence and strict liability) or other theories. Field engineering services are not a part of CSI's General Product Warranty. Breach of Warranty claims does not entitle the customer to refuse payment for service work.

**Third Party.** CSI cannot provide for the services of a third party such as vendors. If other equipment manufacturers' field service personnel are required for start-up assistance, the customer is responsible for arranging those additional services. Start-up activities for complex packages will require the service of more than one (1) service engineer in order to achieve timely completion.