



GENERAL TERMS AND CONDITIONS OF SALE

The following terms and conditions of sale shall apply to any sale of goods and services (“**Product**”) by Hawkeye Industries Inc. (“**Hawkeye**”) operating from offices, warehouse and manufacturing facility in Edmonton, AB (“**Factory**”). Purchaser (“**Purchaser**”) is deemed to have full knowledge of terms and conditions below and such terms and conditions shall be binding if either the Product referred in the agreement are delivered to and accepted by Purchaser, or if Purchaser does not within five (5) calendar days from the date indicated on the Agreement deliver to Hawkeye written objection to these Terms and Conditions or any part thereof.

APPLICATION

These terms and conditions (“**Terms**”) of sale shall apply to any quote, order acknowledgment, invoice and any other document used to place an order (“**Order**”) which is issued or accepted by either party for the sale of Product by Hawkeye to the Purchaser, to the entire exclusion of all other terms and conditions. An acceptance and official confirmation of Purchaser’s Order by Hawkeye in conjunction with these Terms shall constitute the complete Sales Agreement (“**Agreement**”) and shall supersede all previous quotations, orders or agreements. The Agreement represents the entire agreement between the Purchaser and Hawkeye with respect to the Product. In the case of conflict between the Terms and any other part of the Order, these Terms shall prevail. No additional, differing or revised terms communicated by Purchaser shall be binding and Hawkeye shall not be deemed to accept any such other terms for failure to object to them in any communication received from Purchaser. Any purchase order or other document sent by Purchaser to Hawkeye shall be for its own internal purposes and shall not constitute part of the agreement between the Purchaser and Hawkeye.

ACKNOWLEDGMENT

Purchaser expressly acknowledges that it is solely the Purchaser’s responsibility to determine the appropriate Product specifications, materials, variant, and any and all other selection criteria for the Purchaser’s specific purpose. The Purchaser expressly agrees to not disassemble, reverse engineer, or otherwise infringe any proprietary design, patent, industrial design or any other intellectual property right owned, assigned or used under licence by Hawkeye.

PAYMENTS

All invoices are due thirty (30) calendar days from the date of Hawkeye’s invoice, with an interest charge of 18% per annum applying on past due invoices. If Purchaser defaults on any payment when due, or refuses to accept delivery or becomes insolvent, Hawkeye may at its option, and without prejudice to other lawful remedies, defer deliveries or cancel the remainder of the Order under the Agreement. Goods held for Purchaser shall be at the risk and expense of the Purchaser. If Purchaser’s financial condition is, or becomes, unsatisfactory to Hawkeye, Hawkeye reserves the right to cancel or delay the Contract or shipment at any time prior to delivery of goods and services without further obligation or liability on Hawkeye’s part.

PRICES

The purchase price (“**Price**”) for Product shall be specified on the Order, and unless specified otherwise on the order, in Canadian Dollars (\$CAD). Price is payable without offset, back charge, retention, holdback, or withholding of any kind. The price is subject to adjustment to reflect Hawkeye’s prices in effect at the time of shipping and is subject to change. All quotations are subject to change without notice prior to Purchaser’s acceptance. Prices are subject to correction for error. Price is valid only for the Product and quantities indicated on the Order in whole.

DELIVERY

Delivery schedules are approximate, and are based on prevailing market conditions, including prior sales, applicable respectively at the time of quotation and acceptance of Order. Delivery schedules are also contingent on receipt by Hawkeye of necessary information to allow maintenance of Hawkeye’s engineering and manufacturing schedules. Hawkeye may extend delivery schedules or may, at its option, cancel Purchaser’s Order in full or in part without liability then return of unexpended portions of deposit or prepayment which is unearned by reason of the cancellation. Hawkeye shall use commercially reasonable efforts to deliver Product within the time agreed, but shall in no circumstance be liable for any loss or damage, consequential or otherwise, caused directly or indirectly by any delay in delivery. Hawkeye reserves the right to make partial deliveries and to submit invoices under the Terms of Payment for partial deliveries.

CARRIAGE OF GOODS

Unless stated otherwise, all orders include domestic packing and provided Free Carrier (“**FCA**”) Factory, per Incoterms 2010. Customary methods of transport shall

be selected by Hawkeye at Purchaser’s expense. Special or alternative methods of transportation will be used upon Purchaser’s request and at Purchaser’s additional expense provided reasonable notice of Purchaser’s transportation requirements are given to Hawkeye by Purchaser prior to shipment.

QUOTATIONS

Unless otherwise stated, all quotations prepared by Hawkeye are valid for a period of thirty (30) calendar days from the date of quotation and are rendered null and void after this period.

TAXES, DUTIES AND SURTAX

The Price is subject to all applicable customs, duties, import duties, excise taxes, value added taxes (VAT, HST, GST), sales taxes, tariffs, surtaxes, or other charges levied by any governmental authority (“**Taxes**”). Hawkeye may add to the Price any applicable Taxes; however, Purchaser is responsible for payment of all taxes, duties and charges, and Hawkeye’s failure to charge or collect and Tax shall not relieve Purchaser of its obligation for payment of Taxes. Hawkeye reserves the right to chargeback any Taxes not paid by the Purchaser at the time of import or receipt.

STOCK AND CUSTOM PRODUCT

Product with, and not limited to, an established or anticipated market for sale outside of the Agreement that may, at Hawkeye’s discretion, be kept in inventory in an assembled, ready-to-package or otherwise ready-for-sale condition is a stock Product (“**Stock**”). Product with, and not limited to, no extant design, existence in whole or in part in an unassembled or unmanufactured state at the time of quotation, limited or no identifiable market outside of the Agreement, Purchaser-supplied specifying information differing from published variants, specifying information proprietary to Purchaser, requirement of irreversible modification of stock Product, requirement of Hawkeye engineering inputs, manufactured only in the quantity required to match quantity in the Agreement and solely for sale to Purchaser is a custom Product (“**Custom**”). Hawkeye reserves sole right to determine if a Product is Stock or Custom. Orders or portions thereof deemed by Hawkeye as a Custom Product require prepayment of 50% of the after-tax Price prior to initiating any engineering, manufacturing, assembly or other activity required to fulfill delivery of the Product.

CHANGES AND CANCELLATION

Purchase expressly acknowledges all Orders are firm, and no Orders accepted by Hawkeye are subject to change or cancellation by Purchaser, except with Hawkeye’s written consent. In cases where Hawkeye authorizations changes or cancellation, Hawkeye reserves the right to charge Purchaser reasonable costs based upon expenses already incurred and commitments made by Hawkeye including and without limitation any labour performed, material purchased including overhead, profit and cancellation charges from Hawkeye’s suppliers. Hawkeye’s interpretation of a verbal Order shall be final and binding in absence of written confirmation. Any changes to an Order requested by Purchaser, including deleting Product or changing quantities (“**Partial Order**”), may affect or delay the delivery schedule and Price, and must be agreed to by the parties in writing and signed by Hawkeye prior to initiating, or continuing work. Any Order or portion thereof containing Product deemed Custom are non-cancellable.

PRODUCT RETURNS

No Product may be returned to Hawkeye without Hawkeye’s prior written authorization (“**Return Material Authorization**”). Hawkeye reserves the right to decline all returns or accept them subject to a restocking charge. Any Order or portion thereof deemed as Custom is non-returnable. After authorizing the return of Product, Hawkeye still reserves the right to adjust the amount of credit provided to the Purchaser on the return of Product based on the conditions of the Product upon arrival at Hawkeye’s Factory. Credit for returned Product will be issued to Purchaser only where Product is returned by Purchaser, and not by any subsequent owner of the Product. Product will only be considered for return if in original condition and packaging and within 45 days of Invoice date.

TITLE

Title to the Product or any part thereof shall not pass from Hawkeye to Purchaser until all Order payments due are made in cash, except as stipulated herein. Product shall remain personal or moveable property, notwithstanding their mode of attachment to realty or other property. If default is made in any of the payments herein, Purchaser agrees Hawkeye may retain all payments which have been made on the Order as liquidated damages, and Hawkeye shall be free to enter the premises where the Product may be located and remove them as Hawkeye's property, without prejudice to Hawkeye's right to recover any further expenses or damages Hawkeye may suffer by reason of such nonpayment.

INSPECTION

Hawkeye's responsibility for Product ceases upon delivery to the carrier. Purchaser is obligated to inspect Product as promptly as practicable upon receipt thereof. Purchaser shall notify Hawkeye of any visible defects, quantity shortages, or incorrect product shipments with ten (10) calendar days of receipt ("**Inspection Period**"). Failure to make a claim in writing to Hawkeye of any visible defects in the Product, or quantity shortages or incorrect shipments within the Inspection Period shall be deemed waiver of any rights to return Product or to not pay for the Product on the basis of visible defects, shortages or incorrect shipments. In the event of loss or damage during shipment, Purchaser's claim shall be against the carrier only. Hawkeye will provide Purchaser any reasonable assistance to secure Purchaser's claim against the carrier provided immediate notice of such claim is made in writing within the Inspection Period. If Hawkeye does not receive written notice within the Inspection Period, it shall be conclusively presumed Product was delivered in their entirety.

SECURITY AND SET OFF

Hawkeye may require Purchaser to provide satisfactory security for the purchase of Product. Should purchaser fail to fulfill the Terms of Payment under the Agreement, Hawkeye may defer further delivery of Product until such payments are received or may, at its option, cancel further shipment of Product. Hawkeye retains the right to register a lien or encumbrance against the Product or other property of the Purchaser in which the Product is incorporated. In the event title to Product vests in Purchaser prior to payment of the Price, Hawkeye shall retain a security interest in the Product to secure Purchaser's obligation. Purchaser hereby grants Hawkeye a Purchase Money Security Interest as defined in the applicable statute(s) in the Product and all proceeds thereof. Hawkeye shall have all remedies available under applicable personal property legislation to enforce as a secured party in the event of non-payment. Hawkeye may withhold any sum due to Purchaser as a set off against Purchaser's indebtedness to Hawkeye either under the Agreement or under any other agreement between parties.

GOVERNING LAW

The Agreement shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Alberta.

LIMITED WARRANTY

HAWKEYE WARRANTS THAT PRODUCT SHALL BE FREE OF DEFECTS OF MANUFACTURE OR WORKMANSHIP AT THE TIME OF SHIPMENT. IF THE PURCHASER DEEMS PRODUCT TO HAVE DEFECTS OF MANUFACTURE OR WORKMANSHIP, THE MANUFACTURER WARRANTS THAT IT SHALL REPAIR, OR AT ITS OPTION REPLACE, THE PRODUCT FOB FACTORY. HAWKEYE SHALL NOT REPAIR, REPLACE, OR REFUND THE PRODUCT IF IT HAS BEEN DAMAGED BY: GROSS NEGLIGENCE, FAILURE TO HEED INSTALLATION INSTRUCTIONS, COMMON INDUSTRY INSTALLATION PRACTICE OR PUBLISHED PROCEDURES, FORCES OF NATURE, ANY OTHER DEFECT NOT STEMMING DIRECTLY FROM MANUFACTURE OR WORKMANSHIP. HAWKEYE WARRANTS THE PRODUCT FOR A PERIOD OF TWELVE (12) MONTHS FROM THE DATE OF SHIPPING IF SUBJECT TO NORMAL USE AND SERVICE. IF PRODUCT IS REPAIRED OR REPLACED UNDER THE TERMS OF THIS WARRANTY, THE PRODUCT IS WARRANTED AGAINST DEFECTS OF MANUFACTURE OR WORKMANSHIP FOR A PERIOD OF TWELVE (12) MONTHS FROM DATE OF REPAIRED, OR REPLACEMENT, PRODUCT SHIPPING. THE PURCHASER WILL CONTACT HAWKEYE PRIOR TO INITIATING ANY WARRANTY ACTION. UPON RECEIVING NOTICE OF A PROPER CLAIM UNDER THIS WARRANTY, HAWKEYE SHALL UNDERTAKE MEASURES TO REPAIR OR REPLACE THE PRODUCT, TO BE COMPLETED IN A REASONABLE TIME FRAME, IN REGARD TO THE NATURE OF THE DEFECT. HAWKEYE MAY REQUIRE THE RETURN OF DEFECTIVE PRODUCT, FREIGHT PREPAID, TO ESTABLISH THE WARRANTY CLAIM. THE MANUFACTURER SHALL APPROVE IN WRITING CREDIT OR ALLOWANCE FOR REPAIRS MADE TO THE PRODUCT. THE PURCHASER'S ONLY RECOURSE IN REGARDS TO DESIGN, MANUFACTURE, MATERIALS, INSTALLATION, EQUIPMENT SERVICING, AND THE ONLY LIABILITY OF HAWKEYE (INCLUDING BUT NOT LIMITED TO OFFICERS,

EMPLOYEES AND OTHER APPOINTED AGENTS) IS LIMITED TO THE REPAIR OR REPLACEMENT OF THE PRODUCT (OR PART THEREOF) IN ACCORDANCE WITH THIS WARRANTY. HAWKEYE SHALL NOT BE LIABLE FOR DAMAGE OR DEFECT RESULTING FROM GROSS NEGLIGENCE, FAILURE TO HEED INSTALLATION INSTRUCTIONS, COMMON INDUSTRY INSTALLATION PRACTICE OR PUBLISHED PROCEDURES, FORCES OF NATURE, ANY OTHER DEFECT NOT STEMMING DIRECTLY FROM MANUFACTURE OR WORKMANSHIP. TO INITIATE A CLAIM UNDER THIS WARRANTY DOCUMENT, CONTACT HAWKEYE TO OBTAIN A RETURN MATERIAL AUTHORIZATION NUMBER AND TO BEGIN NON-CONFORMANCE INVESTIGATION. HAWKEYE MAY REQUIRE PRE-PAID RETURN OF THE PRODUCT TO ESTABLISH THE WARRANTY CLAIM PRIOR TO UNDERTAKING MEASURES TO REPAIR OR REPLACE THE PRODUCT. TO MAINTAIN WARRANTY COVERAGE, THE PURCHASER MUST ADHERE TO HAWKEYE'S PUBLISHED INSTALLATION INSTRUCTIONS FOR THE PRODUCT, ALL INDUSTRY PRACTICES AND PUBLISHED REGULATIONS AND PROCEDURES IN REGARDS TO THE PRODUCT, AND ACT IN ALL REASONABLE COMPETENCE TO AVOID DAMAGE TO THE PRODUCT AS A RESULT OF NEGLIGENCE, MISHANDLING OR UNINTENDED USE. THE APPLICABLE WARRANTY CEASES TO BE EFFECTIVE IF THE PRODUCT IS ALTERED OR REPAIRED OTHER THAN BY PERSONS AUTHORIZED OR APPROVED BY HAWKEYE TO PERFORM SUCH WORK.

LIMITATION OF LIABILITY

UNDER NO CIRCUMSTANCES SHALL HAWKEYE BE LIABLE TO PURCHASER OR OTHER PERSON FOR ANY INCIDENTAL INDIRECT, PUNITIVE, SPECIAL, CONSEQUENTIAL OR SIMILAR DAMAGES ("**DAMAGES**") INCLUDING BUT NOT LIMITED TO, REWORK, INVESTIGATION, REPAIR OR REPLACEMENT COST, LOSS OF PROFITS, INCREASED COSTS OF OPERATIONS, DIMINUTION IN VALUE OR LOSS OF GOOD WILL ARISING OF OR IN CONNECTION WITH THE SALE, INSTALLATION OR USE OF THE PRODUCT. THIS LIMITATION OF LIABILITY IS A CONDITION TO THE SALE OF PRODUCT BY HAWKEYE AT THE PRICE. THE PARTIES ACKNOWLEDGE THAT THE PRICE PAYABLE FOR THE PRODUCT WOULD HAVE BEEN SUBSTANTIALLY GREATER IN THE ABSENCE OF LIMITATION OF LIABILITY WHICH SHALL APPLY IN ALL CIRCUMSTANCES.

INDEMNITY

The Purchaser shall be responsible for installation, maintenance, operation and use of the Product and for any injury damage, destruction, loss, damages or expenses caused by the Product and Hawkeye shall have no liability in relation thereto. Purchaser shall defend, indemnify and hold harmless Hawkeye from and against any loss, damages, expenses, claims, repairs, suits, causes of action or judgements where directly or indirectly arising from or in connection with the installation, maintenance, operation and use of the Product. Where Purchaser has supplied the design for all or any part of the Product, Purchaser also agrees to defend, indemnify and hold harmless Hawkeye from against any loss, damages, expenses, claims, repairs, suits, causes of action of judgement whether direct or indirectly arising from or in connection with any claim the Product or any part thereof infringe any patent, industrial design or any other intellectual property right.

FORCE MAJEURE

Hawkeye shall not be responsible or liable for any loss or damage incurred by Purchaser herein resulting from causes beyond the reasonable control of Hawkeye including, but without limitation, acts of God, civil war, invasion, insurrection, riot, the order of any civil or military authority, fire, flood, weather, acts of the elements, delays in transportation, unavailability of materials or equipment, breakdown, sabotage, lock-outs, strikes or labour disputes, faulty castings or forgings, or failure of Hawkeye's suppliers to meet their delivery promises. The acceptance of delivery of the Product by Purchaser shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.