

GENERAL TERMS AND CONDITIONS

1. Applicability.

(a) These terms and conditions of sale (these "**Terms**") are the only terms which govern the sale of the goods ("**Goods**") and the provision of services (the "**Services**") by Saturn Machine Works Ltd., or any of its divisions (collectively, "**Seller**"), to the buyer ("**Buyer**") named on the quote document, price list and/or purchase order confirming the Goods and Services to be purchased by Buyer. Collectively, such quote document, price list and/or purchase order, together with any sales confirmation issued by Seller and/or any emails exchanged between representatives of the Seller and Buyer with respect to the applicable order of Goods and/or Services (but only with respect to the type and quantity of Goods or Services to be purchased and only to the extent such emails include Seller's confirmation of such quantity of Goods or Services), are referred to herein as the "**Sales Confirmation**".

(b) The Sales Confirmation and these Terms (collectively, this "**Agreement**") comprise the entire agreement between the parties, and supersede all prior or contemporaneous understandings, agreements, negotiations, representations and warranties, and communications, both written and oral (and provided that these Terms prevail over any of Buyer's terms and conditions of purchase (including any conditions contained in a Buyer purchase order) regardless of whether or when Buyer has submitted its purchase order or such terms). Fulfilment of Buyer's order does not constitute acceptance of any of Buyer's terms and conditions and does not serve to modify or amend these Terms. Buyer sending a purchase order or executing a Sales Confirmation document shall be deemed acceptance of the Terms, notwithstanding anything which may be contained in a Buyer purchase order.

(c) Notwithstanding anything to the contrary contained in this Agreement, Seller may, from time to time change the Services without the consent of Buyer *provided that* such changes do not materially affect the nature or scope of the Services, or the fees or any performance dates set forth in the Sales Confirmation.

2. Delivery of Goods and Performance of Services.

(a) The Goods will be delivered within a reasonable time after the receipt of Buyer's purchase order and/or in accordance with the timelines referenced in the Sales Confirmation, subject to availability of finished Goods and Section 2(e). Seller shall not be liable for any delays, loss or damage in transit. Seller shall not be bound to deliver any Goods or provide any Services (including those that may be set out in a Buyer purchase order) until it has issued a Sales Confirmation with respect to such Goods and/or Services.

(b) Unless otherwise agreed in writing by the parties, Seller shall deliver the Goods to the Seller's factory in Edmonton (the "**Delivery Point**") using Seller's standard methods for packaging and shipping such Goods, and Purchaser will be responsible for picking up the Goods from the Delivery Point. Buyer shall be responsible for all loading costs and for providing equipment and labour reasonably suited for receipt of the Goods at the Delivery Point.

(c) Seller may, in its sole discretion, without liability or penalty, make partial shipments of Goods to Buyer. Each shipment will constitute a separate sale, and Buyer shall pay for the units shipped whether such shipment is in whole or partial fulfilment of Buyer's purchase order.

(d) If for any reason Buyer fails to accept delivery of any of the Goods on the date fixed pursuant to Seller's notice that the Goods have been delivered at the Delivery Point, or if Seller is unable to deliver the Goods at the Delivery Point on such date because Buyer has not provided appropriate instructions, documents, licenses or authorizations: (i) risk of loss to the Goods shall pass to Buyer; (ii) the Goods shall be deemed to have been delivered; and (iii) Seller, at its option, may store the Goods until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

(e) Seller shall use commercially reasonable efforts to meet any shipping dates for the Goods or performance dates to render the Services (each as may be specified in the Sales Confirmation), and any such dates shall be estimates only and are in all cases dependent upon Buyer providing Seller with all information required by Seller to provide the Goods and/or Services.

(f) Due to a policy of continuous product improvement, Seller reserves the right to change the designs, materials or specifications of the Goods without notice.

(g) With respect to the Services, Buyer shall (i) cooperate with Seller in all matters relating to the Services and provide such access to Buyer's premises, and such office accommodation and other facilities as may reasonably be requested by Seller, for the purposes of performing the Services; (ii) respond promptly to any Seller request to provide direction, information, approvals, authorizations or decisions that are reasonably necessary for Seller to perform Services in accordance with the requirements of this Agreement; (iii) provide such customer materials or information as Seller may request to carry out the Services in a timely manner and ensure that such customer materials or information are complete and accurate in all material respects; and (iv) obtain and maintain all necessary licenses and consents and comply with all applicable laws in relation to the Services before the date on which the Services are to start.

(h) All intellectual property rights in the Goods and Services, including (i) all intellectual property rights in any blueprints, illustrations, drawings or other documentation provided by Seller to Buyer and (ii) any improvements made to any such intellectual property by either Seller or Buyer, will at all times remain with Seller, and all such documentation will be subject to the confidentiality obligations set out in Section 18.

3. Non-Delivery.

(a) The quantity of any instalment of Goods as recorded by Seller on dispatch from Seller's place of business is conclusive evidence of the quantity received by Buyer on delivery unless Buyer can provide conclusive evidence proving the contrary.

(b) Seller shall not be liable for any non-delivery of Goods (even if caused by Seller's negligence) unless Buyer gives written notice to Seller of the non-delivery within 10 days of the date when the Goods would in the ordinary course of events have been received.

(c) Any liability of Seller for non-delivery of the Goods shall be limited to replacing the Goods within a reasonable time or adjusting the invoice respecting such Goods to reflect the actual quantity delivered.

(d) Buyer acknowledges and agrees that the remedies set forth in Section 3 are Buyer's exclusive remedies for the delivery of Non-Conforming Goods (as defined in Section 8(a) below). Except as provided under **Section 3(c)**, all sales of Goods to Buyer are made on a one-way basis and Buyer has no right to return Goods purchased under this Agreement to Seller.

4. Shipping Terms. All Goods are sold and delivered Ex Works from Seller's factory in Edmonton and Buyer, unless otherwise agreed in writing, is responsible for paying any brokerage, freight and insurance costs for transporting the Goods.

5. Title and Risk of Loss. Risk of loss passes to Buyer upon delivery of the Goods at the Delivery Point. Title in the Goods is now and shall remain with Seller until the purchase price referred to in the Sales Confirmation has been paid in full, at which time, provided Seller has not repossessed the collateral, title shall vest in Buyer.

6. Security Interest. As a general and continuing security for the payment of any and all amounts owing by Buyer to Seller, wheresoever and howsoever incurred, whether direct or indirect, absolute or contingent and whether joint, several, joint and several, matured or not, extended or renewed, Buyer hereby grants to Seller a purchase money security interest in the Goods. The security interest created by this Agreement shall attach to the Goods, together with any and all parts, accessories, repairs, additions, replacements, accessions and equipment now or hereafter placed upon, in or attached thereto and any substitutions thereto or therefor and proceeds thereof or derived therefrom, immediately upon receipt or pickup of the Goods by Buyer's or Buyer's carrier. The security hereby constituted is in addition to and not in substitution for any other securities or agreements now or hereafter held by Seller, and this security shall not merge in any other securities or agreements now or hereafter held by Seller.

7. Buyer's Acts or Omissions. If Seller's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Buyer or its agents, subcontractors, consultants or employees, Seller shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by Buyer, in each case, to the extent arising directly or indirectly from such prevention or delay.

8. Inspection and Rejection of Non-Conforming Goods.

(a) Buyer shall inspect the Goods within 5 days of receipt ("**Inspection Period**"). Buyer will be deemed to have accepted the Goods unless it notifies Seller in writing of any Non-Conforming Goods during the Inspection Period and furnishes such written evidence or other documentation as required by Seller. "**Non-Conforming Goods**" means only product shipped which is different than identified in Buyer's purchase order or Sales Confirmation.

(b) If Buyer timely notifies Seller of any Non-Conforming Goods, Seller shall, in its sole discretion, (i) replace such Non-Conforming Goods with conforming Goods, or (ii) credit or refund the Price (as defined in Section 10(a) below) for such Non-Conforming Goods, together with any reasonable shipping and handling expenses incurred by Buyer in connection therewith. Buyer shall ship, at its expense and risk of loss, the Non-Conforming Goods to the Delivery Point, unless otherwise agreed by the parties in writing. If Seller exercises its option to replace Non-Conforming Goods, Seller shall, after receiving Buyer's shipment of Non-Conforming Goods, ship to Buyer, at Buyer's expense and risk of loss, the replaced Goods to the Delivery Point.

Buyer acknowledges and agrees that the remedies set forth in **Section 8(b)** are Buyer's exclusive remedies for the delivery of Non-Conforming Goods. Except as provided under Section 8(b), all sales of Goods to Buyer are made on a one-way basis. Buyer has no right to return Goods purchased under this Agreement to Seller for credit or adjustment without Seller's written permission and return tagging instructions. If Seller approves any Goods or material for return for credit, Buyer will be charged handling/restocking costs and costs to recondition for resale as new.

9. Modification of Goods. Buyer will not modify the Goods or modify or remove any existing warnings about risks due to improper handling of the Goods.

10. Price.

(a) Buyer shall purchase the Goods and Services from Seller at the prices (the "**Prices**") set forth in the quotation document provided to Buyer. The Price in any such quotations are valid for 30 days unless otherwise stated in writing and are subject to withdrawal or change at any time prior to acceptance by Seller. Seller reserves the right to invoice Buyer for any or all finished material ready for shipment, when held at Buyer's request or because of other reasons beyond Seller's control. Typographical and clerical errors in quotations or orders are subject to correction. Prices do not include delivery, field or jobsite installation unless otherwise so stated.

(b) Buyer agrees to reimburse Seller for all reasonable travel and out-of-pocket expenses incurred by Seller in connection with the performance of the Services.

(c) All Prices are exclusive of all harmonized sales tax, goods and services tax, sales tax, value added tax, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any Governmental Authority on any amounts payable by Buyer (and Seller reserves the right to bill such expense at the time of invoicing material or any subsequent time without forfeiture of collection rights). Buyer shall be responsible for all such charges, costs and taxes; *provided that*, Buyer shall not be responsible for any taxes imposed on, or with respect to, Seller's income, revenues, gross receipts, personnel or real or personal property or other assets.

11. Payment Terms.

(a) Buyer shall pay all invoiced amounts due to Seller within 30 days from the date of Seller's invoice, unless otherwise agreed in writing. Buyer shall make all payments hereunder by cash, electronic funds transfer, cheque or other agreed upon method of payment and in the currency set out on the Sales Confirmation.

(b) Buyer shall pay interest on all late payments at the lesser of the rate of 1.5% per month (18% per annum) or the highest rate permissible under applicable law, calculated daily and compounded monthly. Buyer shall reimburse Seller for all costs incurred in collecting any late payments, including, without limitation, legal fees on a full indemnity basis. In addition to all other remedies available under these Terms or at law (which Seller does not waive by the exercise of any rights hereunder), Seller shall be entitled to suspend the delivery of any Goods or performance of any Services if Buyer fails to pay any amounts when due hereunder and such failure continues for 10 days following written notice thereof.

(c) Sale Confirmations accepted by Seller are not subject to cancellation except with the written consent of Seller and upon terms which will indemnify Seller against loss or damage occasioned by such cancellation.

(d) Buyer shall not withhold payment of any amounts due and payable by reason of any set-off of any claim or dispute with Seller, whether relating to Seller's breach, bankruptcy or otherwise.

12. Limited Warranty.

(a) Seller guarantees that it will, either replace or repair any part of the Goods sold under the Sale Confirmation (the "**Limited Warranty**"), provided that the Limited Warranty will only apply:

- (i) to Goods which are determined by Seller to be defective in material and workmanship; and
- (ii) to Goods which have been given no abnormal use, and have received proper maintenance; and
- (iii) to Goods which have not been altered from their original manufactured state in any way, unless authorized by Seller; and
- (iv) for 12 months following the date of the Sales Confirmation.

(b) Liability under the Limited Warranty is limited to replacement or repairs at the sole option of Seller and in any event shall not exceed the purchase price paid for such Goods. Seller shall incur no other liability under this warranty or otherwise:

(i) for Goods that have been (A) abused, deteriorated by corrosion, erosion or other unsuitable environmental conditions, altered or improperly or inadequately maintained, (B) returned for inspection and repair more than 10 days after defect complained of has been or should have been discovered by Buyer or (C) operated after the defect has been discovered; and

(ii) in respect of a defect arising because Buyer failed to follow Seller's oral or written instructions as to the installation or use of the Goods, including any failure by Buyer to comply with any requirements or guidance set out in any documentation in respect of the Goods which is provided by Seller to Buyer;

(iii) for alterations or repairs made or done by others, unless Buyer first receives Seller's written consent; and

(iv) for design alterations, parts, accessories or components that are not standard but are specified by Buyer for incorporation into the Goods.

(c) UNLESS OTHERWISE AGREED TO IN WRITING, THE LIMITED WARRANTY IS NOT TRANSFERABLE BY BUYER. EXCEPT FOR THE LIMITED WARRANTY, SELLER MAKES NO CONDITION OR WARRANTY WHATSOEVER WITH RESPECT TO THE GOODS OR SERVICES, INCLUDING ANY (a) CONDITION OR WARRANTY OF MERCHANTABILITY; (b) CONDITION OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; OR (c) CONDITION OR WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

(d) Products manufactured by a third party ("**Third Party Product**") may constitute, contain, be contained in, incorporated into, attached to or packaged together with, the Goods. Third Party Products are not covered by the warranty in Section 11(a). For the avoidance of doubt, SELLER MAKES NO REPRESENTATIONS, CONDITIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT, INCLUDING ANY (a) CONDITION OR WARRANTY OF MERCHANTABILITY; (b) CONDITION OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) CONDITION OR WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

(e) THE REMEDIES SET FORTH IN SECTION 13.1(a) SHALL BE THE BUYER'S SOLE AND EXCLUSIVE REMEDY AND SELLER'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTIES SET FORTH IN SECTION 13(a).

13. Limitation of Liability.

(a) IN NO EVENT SHALL SELLER BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, OR PUNITIVE DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THESE TERMS, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE BY BUYER OR COULD HAVE BEEN REASONABLY FORESEEN BY BUYER, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

(b) IN NO EVENT SHALL SELLER'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY SALES CONFIRMATION, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL OF THE AMOUNTS PAID TO SELLER FOR THE GOODS AND SERVICES SOLD UNDER THE APPLICABLE SALES CONFIRMATION

14. Indemnity.

Buyer shall defend, indemnify and hold Seller harmless from any costs, losses, damages, actions or claims (including third party claims) relating to or arising out of (i) any breach of this Agreement by Buyer or (ii) any negligence or willful misconduct of Buyer or any of its directors, officers, employees, agents or representatives.

15. Compliance with Law. Buyer shall comply with all applicable laws, regulations and ordinances. Buyer shall maintain in effect all the licenses, permissions, authorizations, consents and permits (collectively "**Authorizations**") that it needs to carry out its obligations under this Agreement, including any Authorizations in respect of the export or import of the Goods. Buyer shall comply with all export and import laws of all countries involved in the sale of the Goods under this Agreement or any resale of the Goods by Buyer (including any restrictions in respect of export to sanctioned countries) and is responsible for paying any applicable import duties, sales, value added or other taxes of the jurisdiction into which the Goods are being delivered. Buyer assumes all responsibility for shipments of Goods requiring any government import clearance. Seller may terminate this Agreement if any governmental authority imposes countervailing duties or any other penalties on Goods.

16. Termination. In addition to any remedies that may be provided under these Terms, Seller may terminate this Agreement with immediate effect upon written notice to Buyer, if Buyer: (a) fails to pay any amount when due under this Agreement; (b) has not otherwise performed or complied with any of these Terms, in whole or in part; or (c) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors.

17. Waiver. No waiver by Seller of any of the provisions of this Agreement is effective unless explicitly set forth in writing and signed by Seller. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement operates, or may be construed, as a waiver thereof. No single or partial exercise of any right, remedy, power or privilege hereunder precludes any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

18. Confidential Information. All non-public, confidential or proprietary information of Seller, including but not limited to, specifications, samples, patterns, designs, plans, drawings, documents, data, business operations, customer lists, pricing, discounts or rebates, disclosed by Seller to Buyer, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and whether or not marked, designated or otherwise

identified as "confidential" in connection with this Agreement is confidential, solely for the use of performing this Agreement and may not be disclosed or copied unless authorized in advance by Seller in writing. Upon Seller's request, Buyer shall promptly return all documents and other materials received from Seller and destroy any electronic copies of same. Seller shall be entitled to injunctive relief for any violation of this Section. This Section does not apply to information that is: (a) in the public domain; (b) known to Buyer at the time of disclosure; or (c) rightfully obtained by Buyer on a non-confidential basis from a third party.

19. Force Majeure. The Seller shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached this Agreement, for any failure or delay in fulfilling or performing any term of this Agreement when and to the extent such failure or delay is caused by or results from acts or circumstances beyond the reasonable control of Seller including, without limitation, acts of God, flood, fire, earthquake, explosion, governmental actions, war, invasion or hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest, national emergency, revolution, insurrection, epidemic, pandemic (including COVID-19), quarantine, lockdowns or lockouts, strikes or other labour disputes (whether or not relating to either party's workforce), or restraints or delays affecting carriers or inability or delay in obtaining supplies of adequate or suitable materials, materials or telecommunication breakdown or power outage.

20. Assignment. Buyer shall not assign any of its rights or delegate any of its obligations under this Agreement without the prior written consent of Seller. Any purported assignment or delegation in violation of this Section is null and void. No assignment or delegation relieves Buyer of any of its obligations under this Agreement.

21. Relationship of the Parties. The relationship between the parties is that of independent contractors. Nothing contained in this Agreement shall be construed as creating any agency, partnership, joint venture or other form of joint enterprise, employment or fiduciary relationship between the parties, and neither party shall have authority to contract for or bind the other party in any manner whatsoever.

22. No Third-Party Beneficiaries. This Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of these Terms.

23. Governing Law. All matters arising out of or relating to this Agreement are governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any jurisdiction other than those of the Province of Alberta.

24. Choice of Forum. Any legal suit, action, litigation or proceeding of any kind whatsoever in any way arising out of, from or relating to this Agreement, including all exhibits, schedules, attachments, and appendices attached to this Agreement, and all contemplated transactions, shall be instituted in the courts of the Province of Alberta in the City of Edmonton and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, litigation or proceeding. Service of process, summons, notice, or other document by mail to such party's address set forth herein shall be effective service of process for any suit, action, litigation or other proceeding brought in any such court. Each party agrees that a final judgment in any such suit, action, litigation, or proceeding is conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. The parties irrevocably and unconditionally waive any objection to the venue of any action or proceeding in such courts and irrevocably waive and agree not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

25. Notices. All notices, request, consents, claims, demands, waivers and other communications hereunder (each, a "**Notice**") shall be in writing and addressed to the parties at the addresses set forth on the face of the Sales Confirmation or to such other address that may be designated by the receiving party in writing. Notices sent in accordance with this Section will be deemed effectively given: (a) if delivered by hand, when received, with signed confirmation of receipt; (b) if sent by a nationally recognized overnight courier, signature required, when received; (c) if sent by facsimile (with confirmation of transmission), either when sent (if sent during the addressee's normal business hours) or on the next business day (if sent after the addressee's normal business hours); (d) if sent by email, the day that a return email is received from the recipient (which email cannot be a 'bounce-back' email) and (e) if sent by certified or registered mail by the Canada Post Corporation, return receipt requested and postage prepaid, on the 5th day after the date mailed.

26. Severability. If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

27. Survival. Provisions of these Terms which by their nature should apply beyond their terms will remain in force after any termination or expiration of this Order including, but not limited to, the following provisions: Title and Risk of Loss, Modification of Goods, Limitation of Liability, Indemnity, Compliance with Laws, Confidential Information, Governing Law, Choice of Forum and Survival.

28. Amendment and Modification. These Terms may only be amended or modified in a writing stating specifically that it amends these Terms and is signed by an authorized representative of each party (which in the case of Seller must be either the President or a Vice-President of Seller).