

Hamilton Kent Inc.

General Terms and Conditions of Sale

1. Scope

These terms and conditions govern the sale of all products ("Products") sold by Hamilton Kent Inc. (the "Company"). A Purchaser's order is accepted on the terms and conditions stated herein and on any additional or specific terms and conditions agreed to in writing by the Company. It is expressly agreed that any terms and conditions contained in the Purchaser's order or otherwise stipulated will be deemed for the Purchaser's internal use only and will not be binding on the Company.

2. Orders

Purchaser's orders are conditional upon satisfactory credit approval by the Company. The Company will only accept orders in excess of \$250 before taxes or such greater amount as may be specified for certain products. Once confirmed by the Company, orders for custom-made or non-stocked products, and orders for large quantities, cannot be cancelled, modified or returned, except with the Company's written consent and upon terms which provide for indemnification of the Company for the costs and expenses incurred.

3. Shipments

Delivery schedules stipulated in either the quotation ("Quotation") or the order confirmation ("Order Confirmation") are approximate only, and shipment will be made within reasonable proximity thereto. Under no circumstances will the Company be responsible for any damage whatsoever caused by delays in shipment whether resulting from causes within or beyond the control of the Company. All shipments are F.O.B. the Company's location per the American standard sales terminology, or Ex Works per the Incoterms international rules applied to foreign trade contracts. The Company shall bear no liability for Products lost or damaged during transit. The Company may agree to different shipment terms as specified in the Quotation or in the Order Confirmation. Freight prepaid orders, when applicable, will be delivered by the carrier of the Company's selection, unless the use of other carriers is agreed to in writing with the Purchaser. Purchaser must verify quantities and report discrepancies within 2 business days of receipt.

4. Prices

All prices quoted or published are F.O.B. the Company's location or Ex Works. Published prices are subject to change without notice until orders are accepted by the issuance of an Order Confirmation whereupon prices will remain firm for those shipments that take place within the 30-day period following the date of the Order Confirmation. For specific projects, contracts or Quotations, the Company may agree in writing to protect prices for an extended period of time. Each order may be shipped in whole or in part at the Company's discretion. Each shipment made will be immediately invoiced. Quoted or published prices do not include any sales, use, excise or any other tax or levy imposed by any present or future law, regulation or other order, on any of the Products. The Purchaser must provide the Company with tax exemption certificates or other documents, as required by the specific tax jurisdiction, in order not to be charged for any of the applicable taxes.

5. Terms of Payment

Unless other terms of payment are agreed to in writing by the Company, payment is due upon delivery of the Products. If applicable, cash discounts, expressed as a percentage, are calculated on the net invoiced prices before any taxes, freight or other charges and can only be deducted from payment if the Company receives payment from Purchaser on or prior to the due date. Net 30 days means that payment is due within 30 days of the date of invoice and no cash discount is applicable. Overdue accounts shall bear interest at a rate of 18% per annum. The granting of credit by the Company is at all times based on its evaluation of the Purchaser's financial condition. If such financial condition does not justify continuance of shipment on credit, the Company may require full or partial payment in advance.

6. Title to the Goods Sold and Risk of Loss

Risk of loss and title to the Products shall in any case pass to the Purchaser upon delivery of the Products to the carrier at Company's shipping dock or upon the invoicing of the Products, whichever occurs first.

7. Return of Products

The Company may accept the return of Products, subject to the following: a) prior to returning any Products, the Purchaser must obtain a Return Material Authorization (RMA) number from the Company, b) Products must be returned freight prepaid, unless otherwise authorized by the Company and c) Products must be received in good saleable condition, and if required, in full carton quantities and in their original packaging. A minimum return charge of 25% of the purchase price will be applied against any credit issued pursuant to the return of Products, except in the case of a Company shipping error. The Company may apply additional charges against the credit to cover remarketing costs or may refuse to issue any credit, but will advise the Purchaser accordingly. Certain Products such as non-stock items, custom-made configurations, perishable products, obsolete products, large quantities, or other specialty products cannot be returned.

8. Warranty and Limitation of Liability

8.1 The Company warrants that its Products are, at the time of their sale by Company, free from defects resulting from Company's faulty manufacturing.

8.2 THERE IS NO WARRANTY, CONDITION OR REPRESENTATION OF ANY NATURE WHATSOEVER, EXPRESSED OR IMPLIED, BY STATUTE OR OTHERWISE, EXCEPT AS HEREIN CONTAINED. ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS OF THE PRODUCTS FOR A PARTICULAR PURPOSE AND ANY OTHER WARRANTY OF QUALITY ARE EXPRESSLY DISCLAIMED.

8.3 The Company will replace, free of charge, including shipping charges at the original point of delivery, any Product which is found to breach this limited warranty. Any such defective Product will be replaced with a Product of the same type and size as the defective Product.

8.4 THIS LIMITED WARRANTY IS VALID ONLY FOR THE PERIOD OF ONE (1) YEAR FROM THE DATE OF THE SALE BY COMPANY OF THE PRODUCT ALLEGED TO BE DEFECTIVE AND WILL ONLY APPLY PROVIDED ALL OF THE FOLLOWING CONDITIONS ARE MET:

8.4.1 The Product has been used only in applications and under conditions (including without limitation handling, installation, testing, use, water temperature, maintenance and

repairs) that are strictly in compliance with the product literature, technical manual and installation guide currently available from Company at the time of the sale.

- 8.4.2 The alleged defect is not due, without limitation, to faulty installation, misalignment of Products, vibration, ordinary wear and tear, corrosion, erosion, U.V. degradation, incompatible lubricants, pastes and thread sealants, unusual pressure surges or pulsation, water hammer, temperature shocking, or fouling.
 - 8.4.3 The Products have not been altered or modified after leaving the Company's premises and must have been used in no more than one (1) installation, show no evidence of disassembly or tampering, and have not been subjected to abnormal operating conditions, accidents, abuse, misuse, unauthorized alteration, or repair.
 - 8.4.4 The Product has been installed in good and workmanlike manner in accordance with Company's latest published instructions and with the state of the art industry standards and practices and in conformance with applicable laws and regulations.
 - 8.4.5 The Product must not have been subject to acts of nature such as earthquakes, fire, flood, or lightning, or any other event of Force majeure.
 - 8.4.6 The Product must not have been subject to water freezing inside the pipes.
 - 8.4.7 If the Product is perishable, the Product must have been used prior to the expiration date indicated on the Product.
 - 8.4.8 The Claimant must notify the Company in writing within ten (10) days of when the defect was discovered, or should have been discovered in the exercise of ordinary care, and the defective Product must be promptly returned to Company. Notice of a defective Product under this limited warranty should be directed to your local Hamilton Kent Inc Customer Service representative. Claimant must provide documentary evidence of failure, as well as the failed components themselves or representative samples of Product that is alleged to have failed, and must agree to allow a meaningful and reasonable opportunity for Company to inspect the system in which the alleged defective Product was installed.
- 8.5 ANY LIABILITY IN RESPECT TO THE PRODUCT IS STRICTLY LIMITED TO THEIR REPLACEMENT AS HEREINBEFORE SPECIFIED AND THERE SHALL NOT, IN ANY EVENT BE ANY LIABILITY FOR ANY LABOUR CHARGES OR OTHER DAMAGES OR FOR ANY OTHER CLAIM FOR INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES.
- 8.6 Without limiting the generality of the foregoing, any liability or responsibility is disclaimed:
- 8.6.1 for labor, materials, and/or other expenses required to replace a defective Product;
 - 8.6.2 for any other damage to a person or property caused by a defective Product;
 - 8.6.3 for expenses to repair any damage resulting from the use of a defective Product;
 - 8.6.4 for calculations, product drawings, or engineering design specifications
 - 8.6.5 regarding the accuracy of any plans, drawings, or specifications furnished to the Purchaser as part of the sale of any of its products

8.6.6 for loss or damage resulting from failure to abide by manufacturers warnings, safety instructions or other precautionary guidelines.

8.7 ANY CLAIM, WHETHER IN CONTRACT OR IN TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, WITH RESPECT TO OR ARISING OUT OF THE SALE, DELIVERY, INSTALLATION, REPAIR OR USE OF ANY PRODUCTS SOLD TO PURCHASER SHALL NOT IN ANY EVENT EXCEED THE PURCHASE PRICE OF THE PRODUCTS FOUND TO BE DEFECTIVE. It is the responsibility of the owner to obtain and pay for emergency repairs.

8.8 No statement, conduct, or description by the Company, any of its affiliates, their respective representatives, distributors or agents, in addition to or beyond this Limited Warranty, shall constitute a warranty. This limited warranty may only be modified in a writing signed by an officer of the Company.

9. Changes to Products

The Company reserves the right to make changes or improvements to its Products without assuming any further obligation.

10. Patent Rights

If any claim is made against the Purchaser based on the allegation that any of the Products sold by the Company constitute an infringement of any patent, the Purchaser shall notify the Company immediately. The Company shall have the right, at its own option and expenses, to take any actions to protect and defend its rights.

11. Force Majeure

The Company shall in no event be responsible or liable for any non-performance or delay in performance hereunder or any loss or damage of any kind or nature whatsoever, direct or indirect, suffered by the Purchaser, subsequent purchasers, end-users of the Products or any other person, as a result of any causes beyond the reasonable control of the Company including, without limitation, price alterations, delay in shipments, strikes, lock-outs, fires, floods, civil commotion, riots, wars, acts of God, embargos, labor shortages, walk-outs, work slowdowns, accidents, breakdowns, power outages, delays in shipments, manufacture, transportation or delivery of goods or materials, shortages of materials or supplies, acts of or acts authorized by any government or standard organizations, adoption of laws or regulations or price alterations.

12. Governing Law

This agreement and all rights and obligations here under shall be governed by the laws of Canada and of the Province of Ontario and all actions commenced pursuant hereto shall be brought in a court of competent jurisdiction residing in Toronto, Ontario. The parties agree to exclude this Agreement and the purchases made thereunder from the application of the United Nations Convention on sale of Goods.

13. Non-waiver

No delay, failure, change or waiver by the Company to exercise any one or more of its rights under these terms and conditions of sale shall be construed or shall operate to be a waiver thereof or a continuing waiver of such terms and conditions.

14. IMPORTANT

Without limiting any other restriction in any of the Company's documentation, the Products must not be used in any way related to nuclear material or to a nuclear facility and must not be used or located in Iran, North Korea, Syria, Cuba or Sudan at any time.

Hamilton Kent Inc.

General Terms and Conditions of Sale (July 2018)