

STANDARD Warranty Agreement

between

RIO-TEK Canada Inc.

4731-68 Ave

Edmonton, Alberta

T6B 2N2

(hereinafter referred to as the Supplier)

and

Customers of RIO-TEK Canada Inc.

(hereinafter referred to as Customer)

The following agreement is relating to warranty associated matters:

1. Subject matter of the agreement

- a. This present warranty agreement is applicable to all products/services delivered by the Supplier designated for CUSTOMER.
- b. It is the objective of this warranty agreement to resolve complaints regarding quality in a manner that is speedy, non-bureaucratic, and cost-efficient for both parties.
- c. Furthermore, this warranty agreement governs only the reimbursement by the supplier to CUSTOMER of costs incurred in the remedy of defects.
 - i. It does not govern general liability for damages for which the Supplier may be responsible, in particular: *for late deliveries (arrears), personal injuries, pecuniary damages, legal deficiencies (e. g., infringements of industrial property rights)*, claims for compensation of expenses and material damages in the legal sense of product liability in respect of those injured, who are not contractual partners to this warranty agreement.

2. Extent of liability

- a. The Supplier is responsible in full for satisfying the agreed quality of the products/service. The Supplier is responsible for the unrestricted quality assurance of the products, including the comprehensive testing of the products, as applicable. The Supplier guarantees that the products are free from faults and that they comply with the agreed Specifications/Standards/Codes, primarily as applicable to the details expressed in our Quotes; and secondarily referenced in Customer's Purchase Order requirement.
- b. The warranty requires an element of liability to involve the Customer, insofar as the Customer shall execute their own check-and-balance to ensure dimensional characteristics/product profiles/etc, and Certification Documentation, such as but not limited to, Certificate of Compliances, Mill Test Reports, Charts, Reports, Graphs, etc. for the product, does meet their Purchase Order requirements, before the product is placed into service.
- c. The method of calculating warranty charges will be a simplified process with specified original cost of the product complained of and accepted as defective by the Supplier, as associated with the defective product.
 - i. If the Purchase Order issued by the Customer to the Supplier was for the alteration of the Customer's product, the cost will be the wholesale value of the original product, as inventoried or elsewhere purchased by the Customer, and not the Customers selling price to their customer.
 - ii. If the Purchase Order issued by the Customer to the Supplier was for the product produced by the Supplier and/or the Supplier purchases elsewhere, the cost will be the price at which the Supplier charged the Customer only.
- d. The Supplier reserves the right to inspect defective product to ascertain the validity of the claim; and, also reserves the right to repair the product to the original intended profile/feature at the location specified by the Supplier; and reserves the right to replace the product through the Suppliers selected vendors.
- e. Return of product to the Supplier facility is at the cost of the Customer and is eligible for a refund to the Customer for the shipping costs, subject to further negotiations and discussions regarding the defect claim.

3. Warranty Period

- a. Unless otherwise agreed, the warranty period is for a 12-month period from the date the product was released from the Suppliers Inspection Department, upon Final Inspection - at the Suppliers facility, plus 5 business days to account for Customer processing.

4. General provisions

- a. Additional verbal agreements beyond these noted herein are non-binding.
- b. Amendments and additions to the agreement must be in writing and is applicable to specific Purchase Orders ONLY.
- c. Where any single provision of the contract is or becomes ineffective, this shall not affect the effectiveness of the remainder of the agreement. The parties to the contract shall endeavour to replace any such ineffective provision with another provision which fulfils the intention of the former or missing provision and of this agreement.
- d. The law and place of jurisdiction agreed for this Warranty Agreement shall be Edmonton, Alberta, Canada.
- e. The Supplier reserves the right to cancel, change, and modify this Warranty Agreement from time to time, without notice.