

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY

These are the General Terms and Conditions of Sale and Delivery (“General Terms”) of Starfield LION Company, with its place of business at 23 Benton Rd, Toronto Ontario, Canada, M6M3G2 and companies or enterprises affiliated therewith (hereinafter jointly referred to as “Supplier”).

1. APPLICABILITY

- a. These General Terms and Conditions of Delivery and Services apply to all offers, services, deliveries and agreements contracted as such with Supplier.
- b. These General Terms may only be departed from if Supplier expressly states or acknowledges this in writing.
- c. Other general terms and conditions, including but not limited to the terms and conditions of any counterparty (including but not limited to buyers or commissioning parties, that Supplier has concluded an agreement with or is in negotiation of concluding any agreement) (all hereinafter to be referred to as “Customer”), shall, where not in accordance with these General Terms, be explicitly rejected. Such other general terms and conditions shall only apply if and insofar as explicitly confirmed by Supplier in a separate document.
- d. These General Terms also apply, as circumstances so dictate, for the benefit of personnel and assistants of Supplier and/or auxiliaries engaged by Supplier who are working and/or useful for the performance of the relevant agreement, as well as for the benefit of third parties through whom Supplier has the contracted agreement performed, whether in whole or in part.

2. OFFERS, CONTRACTS & CHANGES

- a. Unless the offer stipulates a period for acceptance, all offers are non-binding. In all offers, prices stated do not include any provincial, local or federal governmental taxes, duties and/or customs charges unless specifically stated. Up to one (1) week after acceptance of a non-binding offer, Supplier may withdraw the offer. A non-binding offer remains valid for a maximum period of thirty (30) days, unless explicitly stated otherwise in the offer.
- b. The agreement is contracted as soon as a full and unconditional acceptance of the offer has reached Supplier. This acceptance implies that the Customer consents to the applicability of these General Terms and, insofar as necessary, waives the declaration of applicability of the Customer’s own general terms and conditions of purchase (or of whatever kind).
- c. If the acceptance contains reservations or changes to the offer, contrary to the provisions of the preceding paragraphs, the agreement is only contracted if and insofar as Supplier has explicitly informed the Customer in writing that it consents to such departures from the offer. In such event, only the reservations or changes stipulated by the Customer that Supplier has expressly confirmed will be applicable, meaning that all other reservations or changes that are not expressly confirmed to be accepted are deemed to have been rejected. It is understood that the applicability of these General Terms (including all provisions hereto), is a key stipulation of Supplier, and forms an integral part of its offer.
- d. Offers issued and contracts entered into by representatives, sales agents or intermediaries are binding on Supplier only after the order has been confirmed in writing.
- e. Supplier is only bound by offers and contracts produced and/or concluded by representatives, commercial agents or intermediaries after a written order confirmation by Supplier.
- f. Information and data provided by the Customer to Supplier for the purposes of the agreement contracted, such as drawings, etc., will be assumed by Supplier to be correct, and Supplier will base its offer on such information. Supplier is not responsible, and bears no responsibility, for specifications or designs developed and supplied by Customer and/or information, drawings, etc. supplied by the Customer as referred to in the preceding sentence, regardless of whether Supplier has advised the Customer thereon. This applies accordingly to parts and materials that the Customer makes available or prescribes to Supplier.
- g. In reading the measures, weights, colors and technical data contained in the offers, the other party should allow for minor discrepancies which do not exceed the normal limits. Sizes, weights, colors and technical details in the offer should be read in such a way that the other party must take account of small deviations that do not go beyond the boundaries of what is considered normal.
- h. Prices in offers and contracts are based on the relevant circumstances and data (particularly the salary and materials costs) which were in force or known to Supplier at the time of preparing the offer or concluding the contract.
- i. All orders are subject to credit department approval.
- j. Delivery, minimums and surcharges of the goods and services may vary according to the product line; all such variations will be listed in proposals, quotes or bid documents.
- k. Possession of a price list of Supplier does not constitute an offer to sell.
- l. For all turnouts, a One Hundred and Twenty-Five Canadian Dollar (C\$125) (list) minimum order surcharge may apply to special cuts or special production runs and to custom sizes or over-sizes outside Supplier’s standard sizing (see appropriate sizing charts). On non-turnout products, a ten percent (10%) minimum surcharge may apply to special cuts or special production runs and to custom sizes or over-sizes outside Supplier’s standard sizing (see appropriate sizing charts).
- m. Supplier is entitled to adjust offered or agreed prices according to reasonableness and fairness, if there is a change in circumstances or data after the issuing of the offer or the conclusion of the contract, but before the performance of the contract.

3. DELIVERY & RISK OF LOSS

- a. All goods will be delivered Ex Works destination (Incoterms 2010) unless otherwise stated on quote.
- b. Contact Supplier for terms and conditions of sale for International and Totalcare offers.
- c. No C.O.D. orders.
- d. Unless expressly agreed otherwise, stated delivery times shall not be regarded as deadlines. In the event of late delivery, the Customer must give Supplier due notice before Supplier can be in default.
- e. Supplier reserves the right to ship partial orders unless complete shipment is stated on the order.
- f. Rush orders for custom make-to-order products are subject to a twenty percent (20%) rush fee.
- g. The delivery period commences on the date on which Supplier has confirmed the order to the Customer, or otherwise on the date agreed by the parties in writing.
- h. Supplier is authorized to determine the method of transport. For Large Props and Custom Build Projects, transport costs are not included in the offers and sale prices, but will be charged separately to the Customer as appropriate.
- i. The goods shall be delivered by Supplier in the packaging it deems appropriate. If the Customer prescribes different packaging, Supplier is entitled to invoice the Customer separately for the cost of such packaging.
- j. Supplier is entitled to have deliveries made or services performed by third parties.
- k. Documentation provided by third party carriers shall be conclusive evidence of proof of delivery and Supplier bears no responsibility for goods after delivery by carrier to designated destination.
- l. If applicable, the Customer should ensure that Supplier is able to carry out the installation work undisturbed. Amongst other things, the Customer should ensure free access to the installation site and the availability of all the necessary facilities.

4. PAYMENT & TRANSFER OF OWNERSHIP

- a. All orders for make-to stock products are subject to a handling charge of Four and 25/100 Canadian Dollars (C\$4.25). All orders amounting to less than Fifty Canadian Dollars (C\$50.00) will be subject to a handling charge of Fifteen Canadian Dollars (C\$15.00).
- b. In the event of late payment by the Customer, the Customer will be deemed to be in breach by operation of law with no demand letter or notice of default being required. All payments must be made within thirty (30) days after the date of invoice, unless any other payment term is explicitly agreed in writing. Payment must be made without any deduction or offsetting, at the offices of Supplier or by means of transfer to a bank account stipulated by Supplier.
- c. Supplier retains full (and sole) ownership of the goods until such time as the due purchase sum, including any statutory interest, collection cost, etc. has been paid in full and received by Supplier, even if the goods have meanwhile been processed or incorporated into other products.
- d. If the Customer does not pay within the set time described herein (the “Payment Date”), it shall be deemed to be legally in default without the requirement of any warning or notice of default.
- e. For amounts owed after the Payment Date, Customer shall pay two percent (2%) interest, or the maximum statutory rate, if such rate is less than 2%, as well as legal and other costs incurred in order to secure the performance of the contract, its cancellation and/or compensation, except if Supplier is ruled against by a final and conclusive judgment of the court.
- f. The collection costs shall amount to at least fifteen percent (15%) of the outstanding sum, subject to a minimum of Three Hundred Canadian Dollars (C\$300.00).
- g. The Customer is at all times obliged to furnish security to Supplier, immediately upon receipt for the fulfillment of its obligations. If the Customer does not comply with this request, Supplier will be entitled to cancel the contract, as well as any other still existing contracts between Supplier and the Customer, without judicial intervention, and to claim additional or compensatory damages.
- h. If Supplier has claims against the Customer and the object of these claims is under a retention of title and Supplier also has claims against the Customer for which no retention of title has been made, payment by the Customer is applied first towards fulfillment of the claim(s) not subject to retention of title.
- i. As long as the ownership of the goods delivered has not been transferred to the Customer: (i) the Customer is not permitted to transfer the ownership of the goods delivered, to encumber these goods with real rights or rights under the law of obligations, or to alienate them under any title whatsoever except pursuant to the provisions of paragraph 9 of this article or otherwise agreed in writing; (ii) the Customer is obliged to observe due care in maintaining custody of the goods and to hold them as the identifiable property of Supplier (any marks or signs of Supplier applied in, on or to the goods delivered must remain clearly visible; and (iii) the Customer is obliged to store goods delivered that are defined exclusively by type and weight separately and ensure that they are clearly identifiable as property of Supplier.
- j. As long as the ownership of the goods delivered has not been transferred to the Customer, the Customer is permitted to incorporate or process the goods delivered or sell and transfer them to third parties, so long as in the context of its normal business operations, and in the case of sale, the Customer (i) stipulates a retention of title to the goods delivered upon its customer, or (ii) immediately pays the purchase price owed to Supplier, or (iii) pledges to Supplier the Customer’s claim against its customer, payable upon demand by Supplier.
- k. Supplier is entitled to reclaim the goods delivered under retention of title, if and insofar as the Customer remains in default of the fulfillment of any obligation toward Supplier, or in the opinion of Supplier, exhibits any payment problems.
- l. The Customer hereby grants Supplier nunc pro tunc the irrevocable right to enter the Customer’s business premises or to allow a third party designated by Supplier to do so in the event that Supplier wishes to reclaim the delivered goods.

5. RETURNS

- a. The Customer must contact Supplier Customer Support within forty-five (45) days of receipt of shipment to receive a Return Authorization Number. All returns received without a Return Authorization Number will be held up for processing. Except for defective items:
 - i. Products that have been worn, laundered, altered or soiled are non-returnable;
 - ii. Personalized garments (e.g., with names, letters or heat transfer emblems) are non-returnable;
 - iii. Custom manufactured, custom sizes, made-to-order and special cut products are non-returnable;
 - iv. Products that have been discontinued or redesigned are non-returnable;
 - v. Boots that have been worn are non-returnable;
 - vi. CBRN products are non-returnable.
- b. Returns must have prior approval from Supplier and marking instructions. Supplier will not accept goods returned without its written permission.
- c. Return of stock goods are subject to a fifteen percent (15%) restocking fee.
- d. Custom made-to-order products are not returnable.

6. FORCE MAJEURE

- a. If Supplier is prevented by force majeure from making full, correct and proper delivery within the delivery time, Supplier is entitled to cancel the contract, or to inform the Customer of a reasonable period within which full, correct and proper delivery can still be made, without Supplier being bound to pay any compensation.
- b. Force majeure is deemed to apply if after agreement is concluded, Supplier is prevented from fulfilling its obligations under this agreement or making the preparations to do so as the result of an extraordinary nature in particular circumstances such as war, risk of war, civil war, acts of war, riot, terrorism, civil unrest, fire, water damage, inaccessibility of certain areas, flooding, strike, works occupation, lockout, hindrances to imports and exports, official regulations, defective machinery, interruptions in the power supply, all of these both in Supplier’s factory and in the third party establishments from which Supplier wholly or partly draws the necessary plant or raw materials, as well as in storage or during transport, whether or not under Supplier’s own control and, further, through all other causes arising through no fault of Supplier or outside its area of risk.
- c. In the event Supplier fails to perform any of its obligations due to force majeure, Supplier will inform the Customer immediately of the reason and will immediately upon cessation of the force majeure take all reasonable steps within its power to resume compliance with its obligations ASAP. If the obligations cannot be met after sixty (60) days either party has the right to terminate the contract.

7. DISPUTES & APPLICABLE LAW

- a. All legal relationships between the parties are governed exclusively by Canadian law, to the exclusion of all other legal systems.
- b. The Vienna Sales Convention (CISG) is not applicable, nor are any other international rulings from which exclusion is permitted.

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- c. All disputes will be settled exclusively by a court of competent jurisdiction in Ontario, Canada. Nonetheless, the parties will first attempt in good faith to resolve any dispute or claim amicably through negotiations between representatives of each party with authority to settle the relevant dispute.

8. COMPLAINTS & LIABILITY

- a. Without prejudice to all that is stipulated in the agreement and elsewhere in these General Terms, Supplier will not be liable, contractually and/or extra-contractually, for direct damages, except insofar as the Customer proves that the damage and/or loss is the result of a shortcoming relating to the delivered product that can be fully and solely attributed to Supplier, in which case, however, the total liability of Supplier will be still limited to the amount that is covered by its insurance. If no insurance coverage exists, for any reason at all, Supplier's liability is limited to a sum equal to the amount of the invoice value of the supplied goods that gave rise to the liability. Supplier can never be held liable for loss of profits, loss of earnings or other indirect and consequential damage. Supplier will in no event be liable, unless insofar as it explicitly accepts liability in these General Terms or in a written agreement between Supplier and the Customer.
- b. Complaints must be submitted to Supplier in writing, with argumentation, within fourteen (14) days after the Customer becomes aware or could reasonably have become aware of the complaint, failing which Supplier is entitled to disregard the complaint and the Customer is deemed to have waived any claim it may have against Supplier with regard to the complaint.
- c. If a timely and well-substantiated complaint is found justified, Supplier is entitled to either lower its invoices or improve the results of its work.
- d. Complaints do not entitle the Customer to suspend or offset any payments.
- e. After delivery, Supplier is no longer liable for faults, excepting where faults are fully and solely attributable to Supplier and the Customer did not give notice of such faults prior to the transfer in title, and furthermore the Customer could not reasonably be expected to have discovered these faults at the moment of transfer in title and register a complaint concerning the fault within the appropriate time frame as stipulated herein.
- f. If and insofar as the Customer has insured any risk associated with the agreement, the Customer is obliged to claim any damages under that insurance and indemnify Supplier against recovery claims by the insurer.
- g. Supplier's liability for direct material damages is at all times limited to the net amount of the invoice pertaining to the agreement (excluding GST). Under no circumstances shall the compensation exceed the amount for which Supplier has procured insurance coverage for the loss-causing events and for which coverage is actually provided.
- h. The following are not subject to compensation: Consequential loss, including damages due to business stoppage and loss of profit; Damages inflicted on persons and/or property found in the vicinity of the location where the contract is being performed inflicted by or during the performance of the contract; Damages caused by third parties, such as auxiliaries engaged by Supplier.
- i. Excepting where otherwise agreed in writing, all liability of Supplier is cancelled (and therefore will expire) at the latest after six (6) months have elapsed from the moment at which the agreement ends by transfer in title, dissolution or cancellation.
- j. The legal claim derived from a fault for which Supplier is liable is not admissible (and will therefore expire) if it is brought later than six (6) months following the day on which the agreement ends by virtue of delivery, transfer in title, dissolution or cancellation.

9. INTELLECTUAL & INDUSTRIAL PROPERTY RIGHTS

- a. All rights of intellectual property with regard to the products and/or services as well as the designs, drawings, software, documentation and all other materials developed and/or used in the preparation or performance of the agreement between Supplier and the Customer or agreements resulting therefrom are vested exclusively in Supplier or its suppliers. The delivery of products and/or services does not extend to any transfer of intellectual property rights.
- b. The Customer acquires only a license for the non-exclusive and non-transferable right to use the products and results of the services for the agreed purposes. The license is only valid if the Customer fulfils the financial obligations connected with making available the copyright-protected design.
- c. The license applies solely to the use of the design or invention in question by the Customer itself. Use of the license by third parties is not permitted except after written permission has been obtained by Supplier.
- d. Without the prior written consent of Supplier, the Customer shall not in any way disclose, duplicate, reverse-engineer or allow third-party access to any or all of the products, services, and results thereof.
- e. The Customer shall not remove or alter references of Supplier or its suppliers concerning copyrights, trademarks, trade names or other intellectual property rights.
- f. Supplier warrants that it is authorized to extend the rights of use as described above to the Customer, and indemnifies the Customer against any claims of third parties in this regard. This provision does not apply if and insofar as the products, services and/or their results are altered and/or if they are delivered in conjunction with goods of third parties, in this latter case excepting where the Customer demonstrates that the claims of third parties pertain exclusively to the products, services and/or results delivered by Supplier.
- g. As long as there is retention of title in place, Supplier can reclaim the goods without this constituting default. The Customer irrevocably authorizes Supplier to enter the place(s) where these goods are located. Additionally, the Customer is not authorized to alienate the goods, nor to encumber the goods with any right or restricted right.

10. CANCELLATION

- a. Supplier is entitled to cancel the agreements with the Customer under retention of its claims for compensation of losses in full, in the event of:
- the Customer's late payment of eligible amounts or an interruption in Customer's payments;
 - the Customer's application for bankruptcy;
 - the Customer's application for suspension of payments;
 - the Customer's being placed under conservatorship; or
 - liquidation of the Customer's business.
- b. If the Customer cancels a contract, Supplier is entitled to recover from the other party the costs which it has incurred that can no longer be recovered, as well as its lost profit.
- c. Cancellation of the agreement renders all outstanding claims between the parties immediately fully payable. The Customer is liable for the damages suffered by Supplier, including but not limited to loss of profit and transport costs.
- d. The lost profit must amount to at least twenty-five percent (25%) of the payment that Supplier would have received from the performance of the contract.

11. WARRANTY

- a. For PPE and uniforms, Supplier warrants that all its firefighter and emergency responder protective clothing, uniforms and equipment meet all applicable NFPA standards in effect at the time of their manufacture and further warrants that such products are free from any defect in workmanship or any patent material defect.

- b. Conditions of use are outside the control of Supplier. It is the responsibility of Customer to inspect and maintain the product to assure it remains fit for its intended purpose. In order to maximize the useful life of these products and maintain the warranty, the products are to be used only by appropriately trained personnel following proper firefighting or emergency response techniques and in accordance with the products' warning, use, inspection, maintenance, care, storage and retirement instructions. Failure to do so will void the warranty.
- c. If the agreement involves the processing of material supplied by the Customer, Supplier warrants the product incorporating the material for a period of six (6) months after delivery. If the processing proves to be unsound, Supplier may, at its own discretion, either remedy the fault or perform the processing again using material to be delivered by the Customer, or refund a proportionate amount of the agreed contract price.
- d. Subparagraphs e, f, g and h of this section apply exclusively to training products:
- e. Supplier warrants the proper functioning of its products and the soundness of the materials and parts used therein for a period of twelve (12) months after delivery or for any other such term as agreed in writing between Supplier and the Customer. No warranty is given for products that were not new at the moment of delivery, and/or products that are not in use by the Customer itself. Supplier does not warrant that the goods are suitable for the purpose for which the Customer intends to use them. Supplier does not warrant the absence of any faults of the products if and insofar as the products were made following the design and/or other instructions or materials of the Customer.
- f. Parts for which the wear-and-tear is dependent on the intensity and frequency of use of the product delivered are warranted for twelve (12) months or seven hundred and fifty (750) hours of use, whichever comes first. Replacement of any parts damaged as result of excessive usage and operation, defined as greater than eighty-five (85) hours per month or one thousand (1,000) hours per year, or more than ten (10) hours of continuous operation, shall be excluded from the warranty.
- g. Supplier must be informed of more intensive use as soon as it becomes clear that the product is likely to be used more than indicated in General Terms or a separate agreement signed by both parties. If the Customer remains in default of notifying Supplier, the warranty is voided.
- h. Faults that arise after modification or repair by third parties, faults resulting from the use of the products for a purpose other than that for which they are intended, and faults arising from normal wear-and-tear, injudicious use or improper maintenance are not covered by the warranty. The Customer is also barred from invoking the warranty provisions:
- if software and/or systems purchased by the Customer have been installed without the prior consent of Supplier and/or not fully according to any given instructions of Supplier;
 - in the event of negligence on the part of the Customer with regard to maintenance, or if the Customer has used the goods for purposes for which they were not designed;
 - if the Customer has made changes or had changes made to the goods;
 - in the event of injudicious or reckless use, improper connections, improper voltage, lightning strike, damage due to moisture penetration or other external causes or calamities; or
 - for software problems resulting from the installation of software installed by the Customer or third parties without the explicit permission of Supplier.
- i. EXCEPT AS SET FORTH ABOVE, SUPPLIER MAKES NO OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR USE.
- j. Under the above warranties, Supplier will repair or replace, at its option, any product which does not meet the above warranties. Such repair or replacement will be the Customer's sole remedy and Supplier will not be responsible for any incidental, consequential or other damages based upon or arising in any way from breach of the warranties contained herein or the Customer's use of such product.
- k. The repairs under warranty will normally be carried out by Supplier at the factory location. Only if repair by Supplier or a third party engaged by Supplier is not possible, and Supplier has duly communicated this to the Customer, the Customer shall be entitled to the replacement or repair of the faulty parts (unless otherwise explicitly agreed).
- l. Supplier may decide not to repair the goods but instead to replace them with brand new or equivalent goods, or to take back the goods and, if appropriate, refund part of the purchase price and/or offer a comparable alternative.
- m. The goods replaced under this warranty will be the property of Supplier.
- n. These warranty obligations apply only to any product, part or component which is returned to Supplier or a Supplier Authorized Clean and Repair Center with prior authorization and proof of purchase, and which Supplier agrees to be defective as covered by this warranty.
- o. The word "product" includes the product itself and any parts or labor furnished by Supplier with the sales, delivery or servicing of the product.
- p. "Defects in workmanship and materials" means poorly manufactured seams, stitching or components (e.g., loose or broken seams, zippers or snaps that fall off or do not function properly), and fabrics which have such flaws as holes, uneven spots, weak areas, pilling or other flaws caused by irregularities in their manufacture.
- q. The limited warranty for firefighter PPE does not cover the following items after receipt of the product by Customer:
- Claims made after sixty (60) days from the date of shipment for damage to materials;
 - Damage or color change from exposure of materials to direct or indirect sunlight or fluorescent light;
 - Shade variations among textiles used or shade changes to fabrics caused by wear and tear and/or washing;
 - Color loss due to abrasion (creases, folds, pleats, edges, collar points, etc.);
 - Damage caused by improper washing, decontamination, disinfecting or maintenance (for example, use of chlorine or petrochemicals to clean);
 - Damage caused by repair work not performed to factory specifications;
 - Damage from routine exposure to common hazards which may cause rips, tears, burn damage or abrasion;
 - Loss of retroreflectivity of reflective trim due to normal wear and tear and/or heat exposure;
 - Detachment of reflective trim due to thread abrasion and/or heat exposure;
 - Replacement of zippers or closures worn partially sealed and/or damaged by heavy wear and tear;
 - Loss of buttons, snaps, or cuff seams.
- r. For training products, telephone support is offered within the warranty period to assist with trouble-shooting faults and to assist the Customer in replacing parts covered under warranty. At the conclusion of the warranty period, telephone support will be offered as part of a separate Maintenance Contract offered by the Supplier. The Customer understands that telephone support and assistance can only be guaranteed during normal office hours and on normal workdays.