

GENERAL TERMS AND CONDITIONS OF SALE AND DELIVERY
of
FRAMOS TECHNOLOGIES INC.

Updated as of February 2023

1. Scope

(1) The following Terms and Conditions of Sale and Delivery (hereinafter: “General Terms”) shall apply to and form part of all contracts between FRAMOS Technologies Inc. (hereinafter: “**FRAMOS**”) and its customers (hereinafter: “**Customer**”) for the sale of all goods (hereinafter: “**Goods**”) and services, including advisory services (hereinafter: “**Services**”), by FRAMOS. These General Terms may be modified, or their application may be limited only with the prior written consent of FRAMOS.

These General Terms shall apply to the present Contract and also to all future business transactions between FRAMOS and the Customer, even if they are not separately agreed upon again.

(2) General terms and conditions of the Customer (e.g., terms of purchase) or other deviating agreements issued by the Customer shall not be binding on FRAMOS unless they are agreed to by FRAMOS explicitly and in writing. Neither silence nor the absence of an explicit objection by FRAMOS shall be deemed an agreement to Customer’s terms or conditions.

(3) Any order of Goods or Services, any statement of intent by Customer to purchase Goods or Services, or any delivery of Goods or performance of Services by FRAMOS shall constitute Customer’s agreement to be bound by these General Terms.

2. Offer and Conclusion of the Contract

- (1) Offers by FRAMOS are always subject to change and non-binding, unless they are explicitly marked as binding or they contain a specific deadline for acceptance and are accepted by the Customer within the specified deadline.
- (2) Information on Goods and Services won't constitute a guarantee by FRAMOS that the Goods and/or Services will be provided but are merely descriptions of the subject matter of the contract.
- (3) Customers' purchase orders will be considered as binding offers of the Customer once accepted by FRAMOS by means of an order confirmation document or email. Due to the nature of long lead times of key components in the vision industry, a confirmed target ship date is usually not available immediately upon acceptance, but FRAMOS shall make commercially reasonable efforts to provide either a target or confirmed ship date as soon as possible.
- (4) A binding contract with the Customer will be concluded upon the written confirmation of acceptance of the Customer's purchase order by FRAMOS. Upon such acceptance, the FRAMOS order confirmation, together with these General Terms will become a binding contract between FRAMOS and the Customer (collectively, the "**Contract**"). If FRAMOS objects to a purchase order or proposes alternate or additional terms, the purchase order will become a Contract only if and when FRAMOS and the Customer mutually agree in writing, even if FRAMOS commences or has commenced performance under the purchase order. Specific terms and conditions in the purchase order and/or any other documents that have been explicitly accepted by FRAMOS in writing will take priority over any inconsistent provision in these General Terms and Conditions.
- (5) FRAMOS retains title or copyright to all its submitted offers and cost estimates as well as to drawings, illustrations, calculations, brochures, catalogues, models, tools and other documents and resources which were provided to the Customer. The Customer shall not make any of these materials accessible to third parties, disclose them, or use or reproduce them either itself or through third parties. Upon request by FRAMOS, the Customer shall return all these materials to

FRAMOS and destroy any copies it may have made.

- (6) FRAMOS may issue an order confirmation subject to conditions relating to its ability to verify the availability of components. FRAMOS shall have the right to terminate the Contract if FRAMOS cannot obtain the components necessary for the performance of the Contract from its upstream supplier(s). FRAMOS shall not be obliged to obtain these components from suppliers with which FRAMOS does not have any existing business relationship. FRAMOS will exercise its right to terminate the Contract as soon as it realises that the components cannot be obtained.
- (7) All orders received by Customer and confirmed by FRAMOS shall be considered non-cancellable non-returnable ("NCNR").

3. Contractual Obligations of Framos

- (1) Goods shall be regarded as conforming to FRAMOS' obligations if they are capable of being used or are in a normal condition for use as intended or expected considering the nature of such goods. Unless FRAMOS has expressly agreed otherwise in writing, it is the Customer's responsibility to check that the Goods and Services delivered are according to requested specifications and to check quantities. FRAMOS hereby expressly disclaims any and all representations and warranties that Goods and Services conform to any specifications, drawings, designs, or samples.
- (2) Paid advisory Services provided by FRAMOS shall be explicitly agreed upon. To the extent that an agreement on the provision of advisory services was made with the Customer, the following shall apply: The advisory contract is a separate contract which is concluded in addition to the delivery contract. FRAMOS only undertakes to provide an advisory activity, not an advisory success.

4. Prices and Payment

- (1) Agreed prices will apply to the contractually agreed scope of supply and services. Additional and special services shall be invoiced separately.
- (2) In addition to the agreed price, the Customer will pay all applicable taxes, customs duties, fees, and other necessary charges and expenses imposed by national, provincial, state or other authorities on the Goods and Services.
- (3) Insofar as the Goods and Services offered were based on FRAMOS' list prices and the Goods delivered and Service performed more than four months after the final acceptance date of the Contract, the valid list prices at the time of the delivery must apply.
- (4) Unless otherwise agreed, payments will be due according to payment terms on the invoice and must be made by transfer to FRAMOS' bank account as specified on the invoice. Payment date for any wire transfer shall be the date when the amount paid by the Customer is received in FRAMOS' bank account rather than the date when such wire transfer is remitted.
- (5) If Customer prefers to pay by cheque, a handling fee in the amount of \$20 will be charged for each payment by cheque, and such amount will be automatically added to the sales invoice to Customer.
- (6) The Customer shall pay all amounts when due in full without any deduction or withholding except as required by law and shall not be entitled to assert any credit, setoff, deduction or counterclaim against FRAMOS in order to justify withholding payment of any such amount in whole or in part.
- (7) Default Interest of 18.00% per annum (1.5% per month) will be charged on invoices over 30 days past due, but in no event shall such rate exceed the maximum rate permitted by law. The Customer is liable for all costs and expenses (including legal fees) that FRAMOS may incur for collection of overdue accounts and damages suffered with respect thereto. In the event of legal proceedings, all court and other costs may be added to the principal owing, and interest may be compounded until date of judgment at the statutory rate.
- (8) If, in its sole discretion, FRAMOS believes the Customer's ability to meet its payment obligations may become impaired or threatened, or if the Customer fails to

comply with payment terms, FRAMOS may require advance payment, and/or may suspend delivery or cancel any existing order or remaining balance thereof, without prejudice to any of its other rights and recourses. In the event of the cancellation of an order, all outstanding debts of the Customer will become due immediately.

- (9) FRAMOS may apply any payment it receives from the Customer against any obligation owing to it by the Customer, regardless of any statements appearing thereon or with respect thereto, which will not discharge the Customer from any amounts the Customer owes.

5. Customer's Cooperation Obligations

- (1) The Customer must provide support and participate as required in order to enable FRAMOS to deliver the Goods or to perform the Services. In particular, the Customer is responsible for the approval of sample and prototype models, their modification, the procurement of required regulatory certificates or permits.
- (2) If the Customer fails to participate as required or fails to participate promptly and properly, the obligation of FRAMOS to provide the Goods and/or Services won't apply to the extent and for the period in which FRAMOS' performance obligations depend on the previous participation of the Customer.
- (3) FRAMOS won't be responsible for any delay in the delivery of Goods or Services or for any other damages or losses caused by the Customer's failure to participate as described in Section 5.(1.). All losses and additional costs caused by the Customer's failure to participate as described in Section 5.(1.) shall be borne by the Customer. Other statutory rights and claims of FRAMOS relating to the Customer's failure to participate remain unaffected.

6. Time of Delivery / Performance; Delay in Delivery

- (1) The delivery/performance times proposed by FRAMOS are estimates only and are not binding unless a specified fixed deadline or date has been explicitly confirmed in writing by FRAMOS. If shipment was agreed upon, FRAMOS will comply with its

delivery obligation if the Goods have been transferred to the forwarder, the carrier or other third parties specified to carry out the shipment by the stipulated delivery date. Otherwise, FRAMOS will comply with its delivery obligation if it has provided the Customer with notification that the Goods are ready for shipment.

(2) FRAMOS may extend the delivery/performance times by the period during which the Customer failed to meet its contractual obligations agreed between Parties. Timely delivery by FRAMOS will be contingent on the clarification of all business-related and technical issues between FRAMOS and the Customer and upon the Customer having complied with all of its obligations, such as the provision of all required permits, documents, approvals and payments. FRAMOS is not liable for delays in delivery or for failure to perform due to causes beyond FRAMOS' reasonable control. In the event of such delay, FRAMOS will use commercially reasonable efforts to extend the date of delivery for a period equal to the time lost. If delay is due to force majeure, FRAMOS may, at its option, extend delivery time or cancel order in whole or in part. Delay in delivery of one order won't entitle the Customer to cancel another order. If the Customer requests a postponement of the delivery/performance time, the due date of the payment and other contractual obligations of the Customer shall not change. In this case the Customer will become obliged to perform in advance.

(3) If FRAMOS cannot meet the delivery/performance times due to force majeure or other reasons beyond its control ("unavailability of performance"), FRAMOS will immediately inform the Customer and, if possible, at the same time provide the expected new delivery/performance time.

A case of unavailability of performance may occur if a FRAMOS supplier:

- fails to deliver required product
- fails to deliver according to its contract with FRAMOS
- fails to deliver to FRAMOS on time.

FRAMOS will be entitled to terminate the Contract with the Customer, in whole or in part, if the Goods or Services are also not available within the new delivery/performance time. Any portion of the Contract price that was prepaid by the Customer to FRAMOS relating to any Goods or Service that FRAMOS is unable to deliver or perform for the reasons set out in this section will be refunded to the

Customer immediately.

- (4) Unless otherwise agreed, FRAMOS will be entitled to make partial deliveries if the partial delivery can be used by the Customer within the scope of the contractually intended purpose, the delivery of the remaining Goods ordered is ensured, there are no significant additional expenses or additional costs for the Customer (unless FRAMOS agrees to cover these costs) and the partial delivery is not otherwise unreasonable for the Customer.
- (5) If delivery is delayed due to fault of the Customer, for any reason, including, without limitation:
- not providing FRAMOS with necessary information or documentation
 - not fulfilling payment obligations
 - not accepting FRAMOS's delivery

FRAMOS may, in its sole discretion, extend the date of delivery or cancel the order, in which case the Customer will not be released of its obligations and will be remain liable for all costs incurred due to such delay, including but not limited to storage costs.

- (6) FRAMOS will not be liable for any incidental, special or consequential damages or any loss of profit resulting from failure or delay in delivery, even if it has been advised as to the possibility of same.

7. Shipping/Passage of Risks/Inspection/Acceptance

- (1) Unless otherwise agreed upon in writing, all sales are EXW Ottawa (Incoterms 2020) FRAMOS' facility in Canada, and delivery will be deemed complete and all risk of loss, destruction and damage to Goods will pass to the Customer upon delivery of Goods to carrier at FRAMOS' delivering facility.
- (2) For matters of clarity, the Customer is responsible for all import duty, taxes, & customs clearance. EXW requires the buyer to handle all aspects of the exportation, freight, and importation process. In case the shipment returns to FRAMOS due any negligence in buyer's responsibilities, the additional return freight costs will be added to buyer invoices.
- (3) If an acceptance has to be carried out before shipment of Goods, completion of

the acceptance will be decisive for the passage of risks. The Customer must carry out the acceptance immediately after FRAMOS has notified the Customer that the Goods are ready for shipment. If the shipment is delayed or does not take place due to circumstances not attributable to FRAMOS, the risk will be passed to the Customer on the day the Goods are ready for shipment or for acceptance and FRAMOS has notified the Customer of this.

- (4) The Customer must perform inspection or tests which are necessary as soon as possible, but no later than seven days following delivery. After this time the Customer will be deemed to have irrevocably accepted the Goods in their condition received, unless FRAMOS has received written notice to the contrary in that time period.

8. Security interest

- (1) If any part of the purchase price for the Goods is to be paid at any future time or is to be paid in instalments or remains outstanding after payment is due the Customer hereby grants FRAMOS a security interest and a purchase money security interest in the Goods and in all proceeds, accounts receivable, profits or cash from the resale thereof (hereinafter collectively, “**Proceeds**”), until such time as full payment for the Goods has been made by the Customer.

In the event of non-payment by the Customer of any part of the purchase price or non-payment of any instalment due to FRAMOS, FRAMOS shall have all rights and remedies under the applicable personal property security legislation.

Any costs and expenses (including legal fees) incurred by FRAMOS to enforce its rights under the security interest granted to it shall be paid by the Customer.

- (2) The Customer agrees to do all things and to execute and deliver any and all documents necessary (in FRAMOS’ sole discretion) for the creation, preservation, enforcement and protection of its security interest and purchase money security interest over the Goods and Proceeds. The Customer hereby appoints FRAMOS as its attorney to execute any documents or other instruments necessary to perfect and enforce its security interest.

- (3) The Customer shall inform FRAMOS without delay of any seizure, notice, proceeding, action, claim or other occurrence that may adversely affect FRAMOS' right, title or ability to enforce its rights or its security interest hereunder.

9. Limited Warranty

- (1) The warranty period applicable to Goods (hereinafter: "**Warranty Period**") will begin on the date of delivery from FRAMOS' delivery facility in accordance with Section 6. of these General Terms or, if acceptance is required before delivery, from the date of acceptance by the Customer, and must run for a period of twelve (12) months. With respect to any replacement or repaired parts provided by FRAMOS pursuant to this Section 9., the Warranty Period will be the original Warranty Period applicable to the Goods that were the subject of a replacement or repair.
- (2) During the Warranty Period, FRAMOS warrants that the Goods will be free from defects in materials and workmanship and will substantially conform to any Customer specifications referenced in FRAMOS' order confirmation, subject to the terms and limitations set out in this limited warranty.
- (3) All warranty claims must be submitted in writing to FRAMOS within the Warranty Period according to the following procedures:
- Upon learning of a defect that may be subject to warranty coverage, the Customer must immediately send a defect report by e-mail to FRAMOS describing in detail the defective Goods and the nature of the defect
 - The defective Goods, together with a copy of the defect report, must be sent to FRAMOS' facility for examination by FRAMOS. All defective Goods must be shipped to FRAMOS in their original packaging or in packaging of the same quality, with shipping costs prepaid by the Customer. Freight-collect deliveries will not be accepted.
 - In order to qualify for warranty coverage: (i) goods cannot have been altered from their original condition at delivery, and (ii) there cannot have been any mechanical or physical damage to the Goods.
 - The Customer may request advance delivery of part(s) intended to replace

allegedly defective Goods. The decision to provide such advance delivery shall be at FRAMOS' sole discretion and subject to the Customer's compliance with these General Terms. If FRAMOS provides the Customer with replacement part(s) in advance, the Customer must return all defective parts to FRAMOS within thirty (30) days of receiving the replacement part(s). If the Customer fails to return the defective part to FRAMOS within this thirty (30) day period, the Customer shall be invoiced and liable for payment of the full cost of the replacement part(s) delivered to the Customer.

(4) FRAMOS will examine all defective Goods received from the Customer in accordance with this Section 9. in order to determine if those Goods qualify for warranty coverage. The decision as to whether Goods are subject to warranty coverage will be at FRAMOS' full discretion. If FRAMOS determines that the Customer is entitled to warranty coverage for defective Goods, FRAMOS must, at its sole option, either replace or repair the Goods. This remedy must be FRAMOS' sole liability and the Customer's sole remedy for breach of any warranty set forth in this Section. The Customer agrees to cooperate with FRAMOS in any effort it makes to supply the foregoing remedy and to allow FRAMOS a reasonable period of time to perform the selected remedy.

(5) The warranties set forth in this Section 9. do not cover any condition(s) or defect(s) that cannot be proved to have its/their origin in defective materials or workmanship; or (b) that arise(s) or result(s) from:

- failure to assemble, install or operate the Goods in strict conformity with the assembly instructions and operating instructions provided by FRAMOS
- misuse or use of Goods for unintended purposes,
- unauthorized repair or modification of Goods and/or use of third-party parts, components or materials,
- improper maintenance or repair, neglect, influence of other products or services,
- normal wear and tear,
- acts of God or force majeure.

(6) FRAMOS will be entitled to claim compensation for its expenses, in particular of

travel expenses and staff costs, if it turns out in the course of repair work that the reported defect cannot be attributed to FRAMOS.

- (7) In the case of defects of components from other manufacturers which FRAMOS cannot repair due to licensing or for other reasons, FRAMOS shall assert warranty claims against the manufacturers and suppliers or assign them to the Customer. Warranty claims against FRAMOS for defects in components supplied to FRAMOS by other manufacturers shall only exist in accordance with these General Terms if the judicial enforcement of the aforementioned claims against the manufacturer and suppliers were not successful or, for example due to an insolvency of the manufacturer, lack a prospect of success. The Warranty Period applicable to the Customer's warranty claim relating to any such component shall be suspended for the duration of the legal dispute between FRAMOS and the manufacturer.
- (8) FRAMOS does not guarantee or warranty the accuracy, completeness, currentness, success, merchantability or fitness for a particular purpose of the Services, information in the Services or the media on or through which the Services are provided. FRAMOS shall not be liable to the Customer for any loss or injury arising out of or caused in whole or in part by FRAMOS' acts or omissions in procuring, compiling, interpreting, or delivering the Services or information therein.

10. Intellectual Property Rights of Third Parties

- (1.) The Customer must immediately notify FRAMOS in writing if claims based on the infringement of industrial property rights or of copyrights of third parties (intellectual property rights of third parties) are asserted against the Customer.
- (2.) In case any delivered Goods are found to violate intellectual property rights of third parties, FRAMOS must, at its own choice and expense, modify or replace the delivered Goods to such an extent that intellectual property rights of third parties are no longer violated but the delivered Goods still fulfil its contractually agreed functions or it shall procure the right of use to the Customer by concluding a license agreement. If FRAMOS does not succeed in doing so within a reasonable period of time, the Customer is entitled to terminate the contract. Any possible

claims for damages of the Customer are subject to the limitations set forth in Section 11. of these General Terms.

(3.) FRAMOS' obligation to indemnify the Customer for any infringement of third party intellectual property rights must be subject to the following conditions:

- that the Customer shall have immediately informed FRAMOS of asserted violations of intellectual property rights or copyrights
- that the Customer supports FRAMOS to a reasonable extent in the defence against the asserted claims or, respectively, allows FRAMOS to perform the modification measure described in Subsection 10. (3.)
- that all defence measures, including extra-judicial settlement are reserved for FRAMOS
- that the delivered Good was not manufactured or modified on instruction of the Customer
- that the infringement was not incorrectly caused by the fact that the Customer modified the delivered Goods without authorisation.

11. Limitation of Liability

(1) NOTWITHSTANDING ANYTHING ELSE CONTAINED HEREIN TO THE CONTRARY, IN NO EVENT WILL: (A)

- FRAMOS BE LIABLE TO THE CUSTOMER FOR ANY CIRCUMSTANTIAL, CONSEQUENTIAL, CONTINGENT, EXEMPLARY, INCIDENTAL, INDIRECT, LIQUIDATED, MATERIAL, PUNITIVE, SPECIAL, SPECULATIVE OR OTHER DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOST PROFITS, SALES OR REVENUES, COST OF REPLACEMENT GOODS, LOST BUSINESS OR BUSINESS INTERRUPTIONS, OR LEGAL FEES OR COURT COSTS ARISING IN ANY MANNER PURSUANT TO OR IN CONNECTION WITH THE CONTRACT, THE GOODS OR THE SERVICES (EVEN IF FRAMOS IS MADE AWARE OF THE POTENTIAL FOR SUCH DAMAGES)
- THE CUSTOMER'S RECOVERY FROM FRAMOS AND FRAMOS' TOTAL LIABILITY FOR ANY CLAIM RELATING TO GOODS OR SERVICES (IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT,

WARRANTY, OR OTHERWISE) EXCEED THE PURCHASE PRICE PAID BY THE CUSTOMER FOR SUCH GOODS OR SERVICES.

12. Final Provisions

- (1.) The Customer shall comply with all applicable and current import and export rules and regulations of the countries from which the Goods originate, transit and arrive and shall take all steps to keep itself advised of any changes to all such rules and regulations. FRAMOS shall not be responsible to notify the Customer of any changes to any such rules and regulations which may affect the transport of Goods. The Customer shall be responsible to procure and furnish any and all documentation, permits, approvals and/or licenses required for the international transit of the Goods.
- (2) FRAMOS shall not be responsible or liable for any delay or failure to perform its obligations arising from causes beyond its reasonable control, including, without limitation, acts of God, war, invasion, insurrection, riot, the order of any civil or military authority, fire, flood, weather, acts of the elements, delays in transportation, unavailability of equipment or materials, breakdown, sabotage, lock-outs, strikes or labour disputes, or the failure of suppliers to meet their delivery promises. The acceptance of delivery of the Goods by the Customer shall constitute a waiver of all claims for loss or damage due to any delay whatsoever.
- (3) These General Terms and the Contract are governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein, without giving effect to conflict of law principles. Any dispute with respect thereto shall be submitted to the courts in the Judicial District of Toronto, Province of Ontario. The Customer submits to the jurisdiction of the courts in that judicial district as the exclusive venue for the adjudication of any and all disputes hereunder and waive any claim of *forum non conveniens*. If any dispute falls under the jurisdiction of the Federal Court of Canada, then the parties agree to submit the dispute to the exclusive jurisdiction of the Federal Court sitting in the judicial district of Toronto, Province of Ontario. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to any transaction between FRAMOS and

the Customer.

- (4) No amendment, modification, addendum, or waiver of these General Terms or of the Contract will be binding on FRAMOS or the Customer unless reduced to writing and signed by an authorized officer of the party to be bound, and in the case of a waiver, will be effective only in the specific instance and for the specific purpose for which given, and will not be construed as a waiver of any subsequent right or breach. The failure of either party to enforce at any time or for any period of time any of the provisions of these General Terms or of the Contract will not be construed as a waiver of such provisions or of the right of such party thereafter to enforce each and every such provision.
- (5) In the event that any provision of these General Terms or any part thereof should be held to be invalid, illegal or unenforceable, the remainder of these General Terms shall remain valid and enforceable.
- (6) The parties shall give all notices and communications between the parties in writing by:
 - internationally recognized next day courier service
 - electronic mail, to the party's address specified in the Contract, or to the address that a party has notified to be that party's address for the purposes of the Contract.

A notice given under these General Terms or the Contract will be deemed to be duly given:

- upon delivery by courier service
- on the date of transmission if sent by electronic mail

with receipt confirmed by the Party to whom the notice is addressed. Notices of address change shall be effective only upon receipt notwithstanding the provisions of the foregoing sentence.

- (7) The Customer hereby agrees that all the Contract and all notices and other documents exchanged or entered into between the Customer and FRAMOS shall be in the English language only. *Les parties aux présentes conviennent expressément que cette convention ainsi que tous les avis et documents s'y rattachant soient rédigés en anglais.*

