



FRAMOS Technologies Inc.

STANDARD TERMS AND CONDITIONS OF SALE

These terms and conditions apply to all purchase orders from the buyer ("Buyer") accepted by FRAMOS Technologies Inc. ("Seller") for the supply, [manufacture, repair, modification, inspection and/or service] of a product described in a Sales Order Acknowledgment ("Sold Product"). Acceptance of a purchase order by Seller is conditional upon Buyer's acceptance of these terms and conditions either by written acknowledgement, by implication, or by acceptance of the Sold Product. **Terms and conditions in any order or document submitted by Buyer to Seller are expressly rejected to the extent they have the effect of varying or contradicting the terms and conditions herein and shall not be binding upon Seller unless agreed to in writing by Seller.** Buyer agrees that Seller's failure to object to any such terms and conditions shall not constitute acceptance by Seller thereof, nor of any waiver or modification to these terms and conditions. An accepted purchase order, together with these terms and conditions and any special terms expressly issued by Seller, constitute a "Sales Contract". In the event that a negotiated supplier or license agreement is in force between the Buyer and Seller, the terms of such agreement shall prevail over these terms and conditions.

1. WARRANTIES

- 1.1. For a period of one (1) year following date of delivery of the Sold Product, Seller warrants that, unless otherwise stated by Seller, the Sold Product shall be free from defects in material and workmanship. Seller's sole liability under the above warranties shall be to correct any defect in workmanship or material of the Sold Product, or replace the Sold Product, at the Seller's option. Seller does not warrant any product or service of third parties, regardless of whether they may be necessary for installation or use of the Sold Product. In jurisdictions that require longer warranty periods by law, the Sold Product warranty is extended to the minimum warranty period for that jurisdiction.
- 1.2. The above warranty is conditional on: (i) proper storage, installation, use and maintenance of the Sold Product, and conformance with any applicable recommendations of Seller; and (ii) Buyer notifying Seller of any defects within thirty (30) days of receipt of the Sold Product and, if required, promptly making the Sold Product available for inspection and/or repair.
- 1.3. EXCEPT AS SPECIFICALLY PROVIDED FOR IN THESE CONDITIONS OF SALE, SELLER MAKES NO WARRANTIES OR GUARANTEES, EXPRESS OR IMPLIED, IN CONNECTION WITH THE SOLD PRODUCT, INCLUDING, WITHOUT LIMITATION, IMPLIED OR STATUTORY WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR AGAINST INFRINGEMENT OF ANY PATENT.

2. PAYMENTS

- 2.1. Unless otherwise stated, prices are in U.S. Dollars and payment shall be made in U.S. Dollars. All prices are E.X.W. FRAMOS unless otherwise agreed to in writing.
- 2.2. All prices are subject to change without notice and are not guaranteed and Seller reserves the right to invoice goods at the prices prevailing at the time of order acceptance.
- 2.3. If any act, omission or request of Buyer delays shipment, Buyer shall be responsible for any additional costs, including but not limited to additional costs of production, storage, insurance, delivery or installation of the Sold Product.
- 2.4. **All payments are due, net cash, at time of shipment by wire transfer or credit card payment.** For Buyers who have applied for and been granted Net 30 terms, invoices are due thirty (30) days from the date of invoice. Late payments accrue interest at the rate of 2% per month (24% per annum) or, if lower, the maximum rate permitted by applicable law.
- 2.5. If Buyer wants 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 Buyer.



2.6. In the event that Seller incurs expenses to enforce its rights hereunder, including but not limited to costs of collection, legal fees and court costs, such expenses will be reimbursed by Buyer.

3. DELIVERY, TITLE AND RISK

3.1. Seller shall, unless otherwise agreed to in writing, deliver the Sold Product E.X.W. FRAMOS. Partial shipments shall be allowed. Delivery dates are approximate and are based upon prompt receipt by Seller of all information necessary to permit Seller to proceed with work.

3.2. Unless otherwise stated in the Sales Contract, the Sold Product shall be installed by Buyer at the expense of Buyer.

4. DELAY

4.1. Seller shall not be in breach of the Sales Contract or otherwise liable for any costs, charges or losses sustained or incurred by Buyer where failure to perform, or delay in performing, is wholly or partly due to: (i) a cause beyond its reasonable control, (ii) an act of God, or *force majeure*, or (iii) any act or omission of Buyer or its agents, subcontractors, consultants or employees. The foregoing shall apply even though such cause exists at the time of the order or occurs after Seller's performance of its obligations is delayed by another cause.

5. LIMITATION OF LIABILITY

5.1. In no event, whether as a result of a breach of contract, warranty, tort (including negligence) or otherwise, shall Seller be liable to Buyer for: (i) Loss of profit or revenue, loss of business, loss of use, cost of capital, downtime costs, or cost of substitute products; (ii) external property damage to the Sold Product and loss arising out of such damage; (iii) special, incidental, indirect, punitive or consequential damages; or (iv) any of the foregoing suffered by a customer of Buyer.

5.2. In no event, whether breach of contract, warranty, tort (including negligence) or otherwise, shall Seller's liability to Buyer exceed the selling price of the Sold Product.

5.3. If Buyer transfers title of, or a lease right to, the Sold Product to any third party, Buyer shall obtain from such third party a provision in writing affording Seller the protection of this Article "Limitation of Liability".

6. TAXES AND DUTIES

6.1. Unless otherwise stated, the prices quoted by Seller do not include any use, excise, goods and services, sales (including value added taxes, provincial sales tax and/or harmonized sales tax) or similar taxes. Seller, if legally required, shall collect such taxes from Buyer. Buyer shall be responsible for payment of tax whether it is concurrently invoiced with the original invoice or subsequently invoiced. In the event that Seller pays any such taxes on behalf of Buyer, Buyer shall reimburse Seller for that amount.

6.2. Any taxes, duties, fees, charges or assessments of any nature (including penalties) levied by any governmental authority in connection with this transaction, whether levied against Buyer, against Seller or its employees, or against Seller's subcontractors or their employees (each of whom is intended to be a third party beneficiary hereunder), shall be the responsibility of Buyer and, (i) if feasible, shall be paid directly by Buyer to the governmental authority concerned; or (ii) if that is not feasible, shall be paid by Buyer as reimbursement to the person against whom it is levied, including related costs such as currency conversion.

7. CANCELLATION

7.1 All orders received by the Seller from the Buyer are non-cancellable/non-returnable.



8. EXPORT CONTROLS

- 8.1. Buyer and Seller shall comply with all applicable import and export control laws, regulations, and orders. Specifically, but without limitation, Buyer agrees not to export, re-export or transfer a Sold Product, technical data or software in violation of any law, or to any denied or prohibited person or entity, or to any country embargoed by law applicable to Buyer or Seller. Buyer's obligations under this clause shall survive the expiration or termination of the Sales Contract.

9. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

- 9.1. Subject to the licenses and other rights granted under this agreement, as between Buyer and Seller, Seller and its licensors shall retain title to any and all intellectual property contained in the Sold Products and any software included therewith.
- 9.2. Buyer agrees to indemnify and hold harmless Seller from any action or claims, and associated costs, against Seller for infringement of patents, copyrights and other intellectual property rights in respect of Sold Products where: (i) the Sold Product, or any part thereof, was manufactured to Buyer's design; or (ii) the infringement claim arises from using a Sold Product in combination with Buyer's or a third party's equipment or process.
- 9.3. Buyer acknowledges that all material and information relating to Sold Products (except information evidently made public), which has come or will come into Buyer's possession or knowledge, is confidential and proprietary, and that its disclosure to or use by third parties will be damaging to Seller. Buyer therefore agrees:
- i. to hold such material and information in strictest confidence with at least the same standards with which Buyer treats its own confidential information;
 - ii. to not make use of it other than for the normal use of the Sold Product or services;
 - iii. to release it only to employees requiring such information, and not to release or disclose it to any other person;
 - iv. to take appropriate action with respect to its employees to ensure that the foregoing obligations are fully satisfied.
- 9.4. The duplication, reverse engineering, reverse assembly, reverse compilation, unauthorized reproduction or retransmission of the Sold Product or associated software by Buyer, or its agents, officers, employees or directors or any user authorized by Buyer, or an attempt to do any of the above, is strictly prohibited and will be considered a breach by Buyer of these terms and conditions.
- 9.5. Where software is included as part of the Sold Product, the use of the software by the Buyer will be governed by the terms and conditions of the End User License Agreement ("EULA") set out separately by the product vendor. For the purpose of this agreement, the term "Software" means any operating system, firmware, software library, software driver, application software, or other software owned by Seller that is embedded in, loaded on, or is otherwise delivered for use with a Sold Product by Seller, and to the extent that a Sold Product includes software all references to "purchase" or "sale" of the software portions of the Sold Product shall mean the grant of licenses of such software.
- 9.6. Buyer acknowledges that any breach of this Article "Intellectual Property and Confidentiality" will result in irreparable and immediate harm to Seller, and Buyer agrees that in the event of such breach, Seller shall be entitled to equitable relief by way of temporary or permanent injunction in addition to any other remedy.
- 9.7. This Article "Intellectual Property and Confidentiality" shall survive cancellation, termination or breach of the Sales Contract.

10. PRIVACY

- 10.1. Seller has complied at all times and in all material respects with all applicable laws regarding the collection, retention, use, processing, disclosure, transfer and protection of personal information, and all data breach notification requirements under *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5.



10.2. Seller respects the privacy of its Buyers. Buyer consents to Seller collecting and processing its personal data in connection with any purchase order under this Agreement. All personal data collected and processed in connection with a purchase order under this Agreement is governed by the Seller's *Website Privacy Policy*, which can be viewed at <https://www.framos.com/us/privacy-policy>.

11. INDEMNIFICATION

11.1. Buyer shall indemnify and hold harmless Seller and its employees, subcontractors and subcontractors' employees (each of whom is intended to be third party beneficiary hereunder) from any loss, claim or damage of persons or property which arises out of the Sales Contract, services provided by Seller, or Buyer's possession or use of the Sold Products, provided that such loss, claim or damage was not caused solely by the gross negligence of the Seller. This indemnity shall survive the termination of this Agreement.

12. RELATIONSHIP OF THE PARTIES

12.1. Nothing in this Agreement creates any agency, joint venture, partnership or other form of joint enterprise, employment or fiduciary relationship between the Parties. Seller is an independent contractor under this Agreement. Neither Party has any express or implied right or authority to assume or create any obligations on behalf of or in the name of the other Party or to bind the other party to any contract, agreement or undertaking with any third party.

13. GENERAL

13.1. The Sales Contract shall be governed by and construed exclusively in accordance with the laws of the province of Ontario and the federal laws of Canada, without regard to principles of conflicts of law. For litigation arising from the Sales Contract, Buyer and Seller submit to the exclusive jurisdiction of the courts of Ontario, and to any other court having jurisdiction over the party solely to enforce a judgment of a court of Ontario. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this contract.

13.2. Any representation, understanding, proposal, agreement, warranty, course of dealing or trade usage not contained or referenced in the Sales Contract shall not be binding on either Buyer or Seller. No modification, amendment, rescission, waiver or other change shall be binding on the parties unless assented to in writing by both parties.

13.3. Seller uses the Buyer's email address to send marketing newsletters. The Buyer can object to such use at any time, without costs arising by virtue thereof, other than transmission costs pursuant to the basic rates by informing Seller via email at info@framos.com.

13.4. Any assignment by Buyer of the Sales Contract, or rights under it, without the prior written consent of Seller, shall be void.

13.5. The invalidity, in whole or in part, of any provision hereof shall not affect the remainder of the provisions.