

# General terms and conditions of sale and delivery

of Kamstrup Metering Solutions Canada Inc.

## 1.0 Definitions

1.1. Definitions. As used herein: (a) Seller. Seller shall refer to Kamstrup Metering Solutions Canada Inc. and shall include its agents, subsidiaries, parent company, and any affiliated entity of Seller; (b) Buyer. Buyer shall refer to the purchaser of goods sold by Seller as set forth in the particular Sales Order, and shall include all agents, subsidiaries, parent company, and any affiliated entity of Buyer; (c) Sales Order. Sales Order shall refer to the purchase order acceptance, order confirmation or invoice issued by Seller reflecting the sale of the Products to Buyer; and (d) Products. Products shall refer to Kamstrup's meters, including water meters (referred to as "Water Meters"), other meters supplied by Seller, including any heat, cooling, heat/cooling, electricity or other metering devices and/or products other than meters (e.g. flow parts, antennas, other accessories and spare parts), and related services if any, sold by Seller to Buyer as identified in the Sales Order.

## 2.0 Application

2.1. These terms and conditions shall apply to and shall govern all Sales Orders, agreements or other documents which memorialize an agreement to purchase Products from Seller, regardless of whether such Sales Order or other document references these terms and conditions. All shipments, services, sales and quotations between Seller and Buyer are subject to these terms and conditions.

## 3.0 Acceptance

3.1. No order by Buyer shall be effective until accepted or confirmed in writing by Seller. No effect shall be given to any terms proposed or referenced in Buyer's purchase order, proposal, sales note, acknowledgment or other document issued by Buyer which add to, vary from, or conflict with the Sales Order or with these terms and conditions. Any such Buyer proposed terms shall be void. Except as set forth herein, the Sales Order and these terms and conditions constitute the entire agreement between Buyer and Seller with respect to the subject matter of a Sales Order. Buyer shall be deemed to have accepted and acknowledged the Sales Order and these terms and conditions unless Buyer notifies Seller in writing of its rejection of the Sales Order and/or these terms and

conditions within three (3) working days of Buyer's receipt of the Sales Order.

## 4.0 Termination

4.1. Seller may terminate any Sales Order or any part thereof without liability at any time by written notice. If Seller terminates any part of a Sales Order for convenience, then Buyer shall be relieved of any obligation with regard to the terminated portion of the Sales Order. Any sums paid by Buyer pursuant to a Sales Order or any portion of a Sales Order that has been terminated shall be refunded by Seller.

## 5.0 Price

5.1. Unless another currency is specified on the Sales Order, all monetary amounts are deemed to be expressed in CA\$. For orders up to \$20,000, the price specified in the Sales Order shall not include any packaging, shipping or transportation costs or charges for any international or domestic freight, import duties or storage. For orders over \$20,000, those items are included in the price specified in the Sales Order.

5.2. A handling fee in the amount of \$40.00 shall be added to all Sales Orders for less than \$200.00. Unless otherwise specified in the Sales Order, the price does not include any services related to the Products, including without limitation installation, travel, consultation, evaluation, or maintenance. Buyer may return the packaging materials to Seller, at Buyer's own expense, and shall be credited the cost of the returned packaging if such materials are received by Seller in undamaged condition.

5.3. If Buyer requests alterations or cancellations in respect of customised Products:

5.3.1. More than 30 working days prior to date of dispatch: Seller will apply a fee of \$230 per request or 10% of the order value, whichever is higher.

5.3.2. 0-30 working days prior to date of dispatch: No alteration or cancellation is possible (except for return fee model – see below).

## 6.0 Return of goods

6.1. Products can only be returned within 30 days from the date of delivery after separate agreement with Seller and subject to the following terms:

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- 6.1.1. Minimum sales value of returned goods: \$540. Return is not accepted below this amount.
- 6.1.2. Configured Products cannot be returned.
- 6.1.3. Non-configured Products: a credit note shall be issued for fifty (50) percent of the invoiced amount.
- 6.1.4. Products that Seller has purchased from third parties specially for Buyer cannot be returned.

## 7.0 Payment

- 7.1. Buyer shall pay for Products in accordance with the terms set forth in the Sales Order, or as otherwise set forth in a subsequent writing executed by both Buyer and Seller. If no such terms are set forth, Seller shall issue an invoice to Buyer via email or mail to the address of Buyer set forth in the Sales Order. All invoices are payable no later than thirty (30) days after receipt by Buyer. Seller reserves the right to suspend its performance of any obligations under the Contract, including but not limited to delivery of Products, until such time as the overdue payment is made in full or security satisfactory to Seller has been provided.
- 7.2. Payment shall not be contingent upon any payment to the Buyer from any third party. Seller may, at its discretion, require pre-payment from Buyer, or may require such credit terms as it deems appropriate. Seller may change any credit terms, at any time, in its discretion. If Buyer has a delinquent account with Seller, then any subsequent purchasing orders will not be processed until Buyer's account balance becomes current. Buyer may not set off any sums owed to Seller for any reason.

## 8.0 Taxes

- 8.1. Buyer shall pay, in addition to any invoiced amounts, all taxes, if applicable, upon the production, sale, shipment, or use of the Products, including, without limitation, all federal, provincial, or local property, license, privilege, sales, use, excise or gross receipts taxes or other like taxes and tariffs. In the event that Seller is required to pay any such taxes, Buyer shall reimburse Seller on demand for such payments and any penalties or fees related thereto.

## 9.0 Product Descriptions, Modifications, Improvements

- 9.1. All representations or references on Seller's website, in sales brochures, technical data sheets and quotations as to size, weight, technical specifications, price and other details of the Products are approximate and shall not be binding on Seller unless expressly incorporated in a Sales Order. Such references are not to be deemed warranties. Seller reserves the right, at any time, to alter, change, or modify the Products without notification to Buyer, provided that the alteration, change or modification does not adversely affect the price, quality or substantial function of the Products.

## 10.0 Delivery

- 10.1. Subject to section 5.1, delivery shall be "Delivered At Place" (DAP) (Incoterms® 2020).
- 10.2. Shipment; Installments

- 10.2.1. All dates of delivery set forth in a Sales Order are approximate and nonbinding. Seller will use commercially reasonable efforts to ship the Products on or before the estimated supply date set forth in the Sales Order.
- 10.3. Shipment; Delays
- 10.3.1. Buyer acknowledges and agrees that lead time will vary according to availability of supply, transportation delays, manufacturing problems and other conditions, and that, consequently, all delivery dates communicated by Seller are estimates.
- 10.3.2. Delay in delivery of any shipment or installment of Products shall not discharge Buyer of its obligations to accept that or any other shipment or installment. Under no circumstances shall Seller, because of late delivery or non-delivery, be liable to Buyer, its agents or any other persons for any special or consequential damages, whether based upon lost goodwill, lost profits, work stoppage, impairment of or breach of contract, negligence or other alleged causes of losses to Buyer.
- 10.4. Seller reserves the right to deliver in installments. All such installments shall be separately invoiced and paid when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer of its obligation to accept remaining deliveries.
- 10.5. Risk of Loss
- 10.5.1. All risk of loss during shipment of the Products shall be in accordance with Incoterms® (2020) as referenced in the Sales Order. If no such Incoterm® is referenced, all shipments shall be shipped DAP (Delivered At Place, Incoterms® 2020).

## 11.0 Claims

- 11.1. Buyer shall inspect the Products immediately upon receipt and shall, within three (3) business days from the date of delivery, give written notice of any claim that the Products do not conform to their description as set forth in the Sales Order covering the Products or that the Products are damaged. Notations regarding such a claim shall be made on the applicable bill of lading, air waybill or delivery receipt. If Buyer does not provide such notice within the three (3) day period, the Products shall be deemed accepted by Buyer. Buyer expressly waives any rights it may have to reject or revoke acceptance of the Products after such three (3) day period. In no event, however, shall Seller be responsible for any damage or loss to Products resulting from the transportation, importation or storage of the Products.

## 12.0 Limited Warranty

- 12.1. General
- 12.1.1. Seller warrants that Products (other than Water Meters) shall be free from defects in materials and workmanship by a 24-month warranty from the date of delivery unless an extended warranty has been agreed by the Parties.

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- 12.1.2. For Water Meters a special limited warranty covering defects in workmanship or materials applies as follows:  
 (a) Water Meters in the size range of 5/8"x1/2" – 1", the Warranty Period is twenty (20) years from the date of delivery to Buyer; and  
 (b) Water Meters in the size range of 1½" and larger, the Warranty Period is ten (10) years from date of delivery to Buyer.
- 12.2. During the relevant Warranty Period, Seller shall, at its sole discretion, repair or replace any defective Products at no cost or refund the purchase price for the defective Products.
- 12.3. The following sections 12.4 (Accuracy) and 12.5 (Battery Life) apply only with respect to Water Meters.
- 12.4. Accuracy**
- 12.4.1. Seller warrants that the Water Meters will perform to the accuracy as defined in AWWA C715-18 (section 4.2.8 thereto) and to AWWA M6 manual (chapter 5, Testing new meters and table 5-3 defining test rates in accordance with AWWA C715). This accuracy warranty applies for the following period: (a) for 5/8" x 1/2" – 1" Water Meters, for twenty (20) years following the date of delivery; and (b) for 1½" and larger Water Meters, for ten (10) years following the date of delivery.
- 12.4.2. In case the Water Meters do not comply with the warranties set out in 12.4.1, Seller shall, at its sole discretion, repair or replace any defective Water Meter at no cost or refund the purchase price of such defective Water Meter.  
 Any Water Meter accuracy claims shall be subject to verification - initiated by Seller - through testing by a NIST Traceable laboratory or ISO 17025 accredited laboratory.

**12.5. Battery Life**

- 12.5.1. Based on operation of the Water Meters with either communication via the three wire encoded output or with communication via the embedded radio at an ambient operating temperature not higher than stated in the technical documentation, the warranty on the system battery in the Water Meter shall be for a period of (a) for 5/8" x 1/2" – 1" Water Meters twenty (20) years from date of delivery to Buyer, (b) for 1½" -4" Water Meters, ten (10) years from date of de-livery to Buyer and (c) for 6" – and larger Water Meters, ten (10) years from date of delivery to Buyer.  
 For (a) and (b) of section 12.5.1 Seller shall, at its sole discretion, (i) replace any Water Meters that contain defective batteries at no cost for year one (1) through year ten (10) following the date of delivery or (ii) refund the purchase price for the Water Meters that contain defective batteries. For (c) of section 12.5.1, Seller shall, at its sole discretion, during year one (1) through year ten (10) following the date of delivery, at no cost (i) replace any defective batteries or (ii) replace any Water Meter that contain defective batteries.

For 5/8"x1/2" – 1" Water Meter only, during the period commencing with year eleven (11) through year twenty (20) following the date of delivery to Buyer, Seller shall, at its sole discretion, replace any Water Meters that contain defective batteries at a cost to Buyer equal to the price set out in the price list valid at the time of return of the Water Meter, minus the discount according to the following schedule:

Year	Discount	Year	Discount
11	75%	16	40%
12	75%	17	30%
13	50%	18	20%
14	50%	19	10%
15	50%	20	10%

The warranty related to battery life for the Water Meters is void if the Water Meters at any time have been configured into priority mode.

**12.6. WARRANTY EXCLUSIONS**

ALL SELLER WARRANTIES SHALL NOT APPLY IN ANY OF THE FOLLOWING CASES: (A) PRODUCTS THAT ARE DEFECTIVE OR DAMAGED BY NEGLIGENCE OR ACCIDENT OR NATURAL DISASTERS OR EXTREME WEATHER CONDITIONS OR BY OTHER CIRCUMSTANCES BEYOND SELLER'S REASONABLE CONTROL; (B) PRODUCTS THAT HAVE BEEN IMPROPERLY STORED, COMMISSIONED, INSTALLED, USED, REPAIRED, MAINTAINED OR ALTERED BY BUYER OR A THIRD PARTY, OR THAT HAVE BEEN USED OR MAINTAINED NOT IN ACCORDANCE WITH ANY INSTRUCTIONS, MANUALS, SPECIFICATIONS OR OTHER DOCUMENTATION PROVIDED BY SELLER, OR IN THE ABSENCE OF SUCH DOCUMENTATION, GENERALLY ACCEPTED INDUSTRIAL PRACTICE); (C) PRODUCTS WHICH HAVE BEEN USED (I) WITH WATER WHICH CONTAINS LEVELS OF FOREIGN MATTER, INCLUDING WITHOUT LIMITATION, DIRT, SAND, MINERALS, DEBRIS, DEPOSITS, BIOFILMS, CHEMICAL SUBSTANCES OR OTHER IMPURITIES WHICH INTERFERE WITH OR DEGRADE THE PRODUCT OR IS NOT IN ACCORDANCE WITH MINIMUM POTABLE WATER STANDARDS REQUIRED BY APPLICABLE LAW; (II) IN OTHER UNUSUAL ENVIRONMENTAL CONDITIONS OR IN ENVIRONMENTS WITH EXPOSURE TO ELECTROMAGNETIC PHENOMENA OR OTHER ABNORMAL ELECTRICAL INTERFERENCE, INCLUDING WITHOUT LIMITATION UNNATURAL MAGNETIC FIELDS, RADIATION OR ELECTROMAGNETIC PULSES, OR EXCESSIVE ELECTRICAL CURRENT, EXCEPT TO THE EXTENT PERMITTED IN THE PRODUCT SPECIFICATION; (D) PRODUCTS WHERE ANY SERIAL NUMBER OR SECURITY SEAL HAS BEEN INTERFERED WITH; (E) NORMAL WEAR AND TEAR; (F) PRODUCTS THAT ARE EXPERIMENTAL, DEVELOPMENTAL, PROTOTYPE, OR PILOT; (G) THE DISCONTINUATION OF NETWORK/COMMUNICATION SERVICES (INCLUDING BY

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LOSS OF CONCESSION, DISSOLUTION, BANKRUPTCY, OR CESSATION OF BUSINESS), OR THE PHASE-OUT OR REPLACEMENT OF THE NETWORKS AND/OR COMMUNICATION TECHNOLOGIES SUPPORTING THE PRODUCTS IF SUCH CHANGES RENDER THE PRODUCT UNABLE TO FUNCTION AS REPRESENTED AT THE TIME OF ENTERING INTO THE CONTRACT; (H) ANY DISRUPTION OR DEGRADATION IN PRODUCT PERFORMANCE DUE TO VULNERABILITIES OR DEFICIENCIES IN NETWORKS TO WHICH THE PRODUCT IS CONNECTED; OR ANY DEFECT OR DAMAGE ARISING DIRECTLY OR INDIRECTLY FROM CYBER-RELATED INCIDENTS, INCLUDING WITHOUT LIMITATION HACKING, MALWARE, VIRUSES, RANSOMWARE, DATA BREACHES, UNAUTHORIZED ACCESS, OR ANY OTHER FORM OF CYBER-ATTACK OR DIGITAL INTERFERENCE (COLLECTIVELY, "CYBER-RELATED INCIDENTS"); OR (I) PRODUCTS WHICH HAVE BEEN USED AFTER DISCOVERY OF THE DEFECT.

## 12.7. Product Return

12.7.1. IF, WITHIN THE APPLICABLE WARRANTY PERIOD, (I) BUYER DISCOVERS ANY DEFECTS IN MATERIALS OR WORKMANSHIP, AND (II) NOTIFIES SELLER IN WRITING OF SUCH DEFECTS, AND (III) RETURNS THE DEFECTIVE PRODUCTS TO SELLER, SELLER SHALL, AT SELLER'S SOLE DISCRETION, REPAIR OR REPLACE THE DEFECTIVE PRODUCTS, OR REFUND THE PURCHASE PRICE FOR THE DEFECTIVE PRODUCTS. NO WARRANTY CLAIMS WILL BE PROCESSED IF RECEIVED AFTER THE WARRANTY PERIOD. REJECTED PRODUCTS MAY BE RETURNED ONLY WITH SELLER'S PRIOR EXPRESS WRITTEN CONSENT AND AT BUYER'S COST AND RISK. IF PRODUCTS ARE RETURNED WITHOUT SELLER'S PRIOR CONSENT, SELLER MAY REFUSE TO ACCEPT THE RETURNED PRODUCTS AND MAY RETURN THEM TO SELLER AT BUYER'S COST AND EXPENSE.

## 12.8. Set-Off

12.8.1. IN NO CASE WHATSOEVER, INCLUDING JUSTIFIED WARRANTY CLAIMS, IS THE BUYER ENTITLED TO RETAIN ANY MONIES OWED TO SELLER, EXCEPT UPON THE WRITTEN CONSENT OF SELLER. FURTHER, THE WARRANTIES PROVIDED FOR HEREIN SHALL NOT APPLY IN THE EVENT BUYER HAS FAILED TO REMIT PAYMENT IN FULL FOR SUCH PRODUCTS.

## 12.9. WARRANTY DISCLAIMER

12.9.1. WARRANTY DISCLAIMER. THE FOREGOING LIMITED WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT, ALL OF WHICH ARE HEREBY EXPRESSLY DISCLAIMED.

## 13.0 Limitation of Liability

13.1. NOTWITHSTANDING ANY OTHER PROVISION OF THESE TERMS AND CONDITIONS, THE LIABILITY OF SELLER, WHETHER BASED IN TORT, BREACH OF CONTRACT,

BREACH OF WARRANTY, OR OTHERWISE, SHALL NOT EXCEED THE PRICE OF THE PRODUCTS IN QUESTION OR WITH RESPECT TO WHICH SUCH BREACH, DEFAULT, OR NEGLIGENCE IS CLAIMED. BUYER ACKNOWLEDGES THAT THE REMEDIES PROVIDED HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER REMEDIES. IN NO EVENT SHALL SELLER BE LIABLE TO BUYER OR ANY THIRD PARTY, IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOSS OF PROFITS OR BUSINESS, OPERATING LOSS, LOSS OF USE OR DATA, LOSS OF TIME, LOSS OF GOODWILL, LOSSES INCURRED UNDER CONTRACTS WITH THIRD PARTIES, OR FOR ANY GENERAL/DIRECT, SPECIAL, INCIDENTAL, INDIRECT, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES RELATING TO THE PRODUCTS OR ARISING OUT OF BREACH OF CONTRACT, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING THE FOREGOING, IN THE EVENT THAT ANY CLAIM IS BROUGHT AGAINST SELLER FOR PRODUCT LIABILITY, SELLER'S LIABILITY SHALL BE LIMITED TO A MAXIMUM OF AVAILABLE INSURANCE COVERAGE AVAILABLE FOR SUCH DAMAGE, IF ANY. ANY AMOUNT IN EXCESS THEREOF SHALL BE BORNE BY THE BUYER. SELLER SHALL NOT BE LIABLE FOR ANY DEFECT THAT WAS CAUSED BY THE PRODUCTS HAVING BEEN INTEGRATED INTO PRODUCTS OF BUYER OR THOSE OF ITS CUSTOMERS. SELLER SHALL NOT BE LIABLE IN THE EVENT THE PRODUCTS SUPPLIED WERE IMPROPERLY USED, TREATED, HANDLED, STORED OR SUPPLIED BASED ON BUYER'S INSTRUCTIONS (INCLUDING, WITHOUT LIMITATION, DESIGN DETAILS, SPECIFICATIONS, PLANS, TEMPLATES OR STORAGE AND TRANSPORT RULES). SELLER SHALL HAVE NO LIABILITY TO BUYER IF ANY PATENT INFRINGEMENT OR CLAIM THEREOF IS BASED UPON THE USE OF THE PRODUCTS DELIVERED HEREUNDER IN CONNECTION WITH A PROCESS OR IN COMBINATION WITH EQUIPMENT, DEVICES, OR SOFTWARE NOT SUPPLIED OR APPROVED IN WRITING BY SELLER, OR USED IN A MANNER FOR WHICH THE PRODUCTS WERE NOT DESIGNED.

13.2.

## 14.0 Indemnity

14.1. Buyer agrees to defend, indemnify and hold Seller, its officers, directors and employees, harmless from and against losses, damages, expenses, actions, attorney fees, liabilities, penalties, fines, duties as well as for any claims for injury, illness, or death of persons and damage to property arising out of, or in connection with: i) the Products after their delivery; ii) any action or inaction taken by Buyer, its employees, agents or independent contractors, with regard to the services provided with regard to the Products comprising the Sales Order; iii) arising out of or resulting from any violation by Buyer, its employees, agents, or independent contractors, of any applicable law, regulation or other mandate by a competent authority; or iv) the infringement or violation of any third party intellectual property rights which may

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be suffered by Seller due to the act or omission of Buyer, its employees, agents, or independent contractors.

## 15.0 Intellectual Property

- 15.1. Buyer acknowledges Seller's exclusive right, title, and interest in trademarks, logos and other markings of Seller relating to the Products, as well as in any and all manuals or documents provided by Seller relating to the Products (collectively, "Seller's Marks"), and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair this right, title, and interest.
- 15.2. Buyer acknowledges that Seller claims and reserves all rights and benefits afforded under applicable intellectual property laws in all Intellectual Property relating to the Products. "Intellectual Property" means all intellectual property and/or proprietary rights, including without limitation all rights of inventorship and authorship, in inventions, patents, patent applications, and know how, for any Product, process, method, machine, manufacture, design, composition of matter, or any new or useful improvement thereof, as well as all copyrights, trademark, trade dress and service mark rights and all rights in trade secrets, computer software, data and databases, and mask works; in each case whether registered or unregistered, existing now or in the future worldwide.
- 15.3. Buyer is not authorized to disassemble, decompile, or reverse engineer the Products; or make any changes, additions, improvements, alterations, or modifications of any sort to the Products. Whether authorized or unauthorized, any changes, additions, improvements, alterations, or modifications of any sort to the Products made by Buyer shall inure to the benefit of Seller, and Seller shall have full right, title, and interest in them.
- 15.4. If Buyer establishes or acquires by operation of law or otherwise any rights to the Intellectual Property Rights, or any part thereof, it hereby transfers and assigns such rights, to the extent transferable, to Seller (or to another member of the Kamstrup Group, as directed by Seller) free of charge. For non-transferable rights, Buyer grants Seller an exclusive, irrevocable, royalty-free, worldwide license to use, exploit, and sublicense such rights.
- 15.5. The rights and obligations set forth in this Section shall survive the termination of these terms and conditions.

## 16.0 Security Interest

- 16.1. Buyer hereby grants a security interest in the Collateral to the Seller to secure the payment and performance of the Obligations listed below. The Collateral shall consist of all Products now owned and hereafter acquired and wherever located, as defined in Personal Property Security Act, which are Products acquired by the Buyer from Seller, and, all proceeds (cash and non-cash) and Products of the foregoing. The Obligations shall consist of: (i) all of Buyer's present and future indebtedness and obligations to Seller; (ii) all amounts owed under any

modifications, additional advances, renewals, extensions or substitutions of any of the foregoing obligations; (iii) all costs associated with Seller's exercise of its rights hereunder; and (iv) any of the foregoing that may arise after the filing of a petition by or against Buyer under the Bankruptcy and Insolvency Act, the Companies' Creditors Arrangement Act or other applicable laws. Buyer agrees to execute and deliver to Seller any and all documents necessary to perfect Seller's security interest, including all financing statements.

## 17.0 Cancellation for Default

- 17.1. Seller reserves the right to cancel all or any part of any Sales Order, without liability towards Buyer, if Buyer fails to perform under any applicable provision of these terms and conditions or of any applicable Sales Order, including a payment default, and the failure is not cured within ten (10) days after delivery of written notice to Buyer by Seller. In the event of cancellation, Seller may exercise all rights and remedies available to it hereunder and under law.

## 18.0 Remedies

- 18.1. Seller's remedies shall be cumulative and shall include any remedies allowed by law. Seller's waiver of any breach by Buyer shall not constitute a waiver of any other breach of the same or any other provision. Acceptance of any payments shall not waive any breach. In any dispute involving moneys owed to Seller, Seller shall be entitled to all costs of collection, including reasonable attorney's fees and interest at 15% per annum or the highest rate allowed by law, whichever is greater, unless Seller agrees to a lower amount. The confiscation or detention of a shipment by any governmental authority shall not affect or diminish the liability of the Buyer to the Seller to pay all charges or other money due promptly on demand.

## 19.0 Insolvency

- 19.1. Seller shall have the right to cancel any outstanding Sales Order or any part thereof, without any liability whatsoever in the event of (i) insolvency, or anticipated insolvency, of Buyer, (ii) commencement of any proceedings, voluntary or involuntary, in bankruptcy or insolvency by or against Buyer; or (iii) the appointment of an assignee for the benefit of creditors of Buyer or a receiver or trustee for Buyer.

## 20.0 Disputes

- 20.1. Any controversy or claim arising out of or relating to these terms and conditions and any Sales Order, or the breach thereof, shall be determined by arbitration administered by ICDR Canada in accordance with its Canadian Arbitration Rules. The language(s) of the arbitration shall be English. The International Commercial Arbitration Act shall apply.

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## 21.0 Product Compliance

21.1. Products are configured for use in the Province or Country in which they are delivered by Seller and according to specific requirements. If used elsewhere, they may not comply with applicable laws and regulations and may not function according to specifications. Seller assumes no liability for non-compliance and performance issues arising from such use. Buyer agrees to indemnify and hold Seller and its affiliates harmless from all liabilities, claims, damages, losses, penalties, costs and expenses (including reasonable attorney fees and legal costs) resulting from or arising in connection with any non-compliance with applicable laws, regulations, and standards required for the sale and use of the Products in a State other than where they are delivered.

## 22.0 Force Majeure

22.1. Seller shall not be liable for any delay in performance of its obligations and responsibilities under a Sales Order due to causes beyond its control, and without its fault or negligence, such as but not limited to war, epidemic, embargo, national emergency, insurrection or riot, acts of the public enemy, fire, flood or other natural disaster, industrial disputes (including local strikes and/or lockouts), Cyber-Related Incidents, breakdowns or disruptions in telecommunication, discontinuation of network/communication services (including by loss of concession, dissolution, bankruptcy, or cease of business), or sunsets or replacements of networks and/or communication technologies, import or export restrictions, acts of government, inability to source components affecting the industry as a whole, as well as any similar conditions affecting a sub-supplier's performance vis-à-vis Seller; provided that said party has taken reasonable measures to notify the other promptly in writing, of delay.  
If the effects of the relevant event continue for a period of more than three consecutive months, then either party shall be entitled to terminate the contract.

22.2. If, between the date of Seller's quotation (or if none, the order confirmation) and the date of Product delivery, there is an aggregate increase exceeding 10% in the Seller's cost of any raw material, component, transportation, duties, taxes, or any combination thereof (relative to the cost at the time of the quotation or, if none, the order confirmation), or if changes in laws, regulations, tariffs, or other governmental requirements result in such an increase, the full amount of such increased costs shall be automatically and unilaterally added to the price payable by Buyer. Seller reserves the right to adjust the price accordingly or require Buyer to pay these additional costs as a condition for delivery. Any delay in payment of such costs entitles Seller to suspend or cancel delivery without liability. Buyer assumes all risks associated with such cost increases, and Seller has no

obligation to absorb or mitigate these costs. This provision is without prejudice to Section 8.1.

## 23.0 Export Control and Sanctions.

- 23.1. Products may be subject to export controls and the delivery is conditional upon obtaining required export authorizations. Buyer shall at all times comply with all applicable Canadian Anti-boycott, sanctions and export control laws, rules and regulations for any subsequent export, re-export or transfer.
- 23.2. Each Party represents and warrants that it is not subject to any sanctions or trade restrictions imposed by Canada, the United States (US), the United Nations (UN), or the European Union (EU), any other applicable jurisdiction. If either Party becomes subject to such sanctions or restrictions, preventing performance of the Contract, the other Party shall have the right to terminate the Sales Order immediately upon written notice, without liability or obligation for such termination.
- 23.3. Buyer shall not knowingly transfer, export, or re-export Products, directly or indirectly, to any country, entity or individual that is under sanctions or embargo by the UN, EU, Canada, the US or any other relevant international regulatory body. Buyer shall conduct appropriate screening and due diligence to ensure compliance with these restrictions.
- 23.4. In compliance with Canadian export controls and sanctions laws, Buyer shall not sell, export, or re-export, directly or indirectly, any Products to the Russian Federation or Belarus, or for use therein. Buyer shall use best efforts to prevent any third parties downstream, including resellers distributors, or end-users, from circumventing these restrictions and shall maintain adequate monitoring mechanisms to ensure compliance.
- 23.5. Seller may suspend or terminate any agreement with Buyer without notice and claim damages if Buyer breaches any representation or undertaking under clauses 22.1–22.4.

## 24.0 Governing Law

24.1. These terms and conditions shall be governed by and interpreted in accordance with the laws of Ontario and the federal laws of Canada applicable hereto, exclusive of the U.N. Convention on the International Sale of Goods.

## 25.0 Severability

25.1. If any provision of a Sales Order, including these terms and conditions, shall be judged by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such adjudication shall not affect or modify any other provision of the Sales Order, or these terms and conditions and the effect thereof shall be confined to the provision as to which such adjudication is made.

## 26.0 Notice

26.1. Any notice or other communication required or permitted by these terms and conditions must be given in writing

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and must be delivered by personal delivery (including personal delivery by overnight courier such as Federal Express, DHL, or similar overnight courier), first class mail (registered or certified), telecopy or e-mail (with a copy sent by personal delivery or first class mail), to the principal address of the other party or to such other address or addresses as may be hereafter furnished by one party to the other party in compliance with the terms hereof. Notice will be deemed given when received or delivered to the principal business address of the relevant party.

## **27.0 Miscellaneous**

27.1. Seller reserves the right to change, modify, add, or delete portions of these terms and conditions from time to time without further notice. The headings contained in these terms and conditions are included for convenience and shall not affect the language included herein.

## **28.0 Entire Agreement**

28.1. Except as provided for herein, these terms and conditions, together with the Sales Order contain all of the terms and conditions governing the sale of the Products and may not be modified or amended by Buyer except by written agreement duly executed by the parties. Aside from the terms of any Sales Order, all prior agreements, representations, statements, negotiations and undertakings, whether oral or written, are superseded by these terms and conditions.