

Terms and Conditions of Purchase

1. Either of the following constitutes your ("Seller's") acceptance of these Terms and Conditions of Purchase ("T&Cs"): (a) Seller's execution or acknowledgement of a purchase or work order ("Order"); or (b) Seller's commencement of performance of the Order (e.g., promising or commencing performance); provided, however, we ("Buyer") may treat the offer made by the Order as having lapsed before acceptance if Seller fails to so accept within a reasonable period of time. Except as provided in Section 3 (only as to an extended warranty period), Orders are subject to and governed exclusively by, and Seller's acceptance thereof is expressly limited to, these T&Cs. Buyer hereby expressly rejects and objects to any prior or subsequently proposed term, condition or alteration. No modification or waiver of these T&Cs shall be binding on Buyer unless expressly accepted in writing by Buyer's authorized officer. Any reference to Seller's quote, bid or proposal does not constitute acceptance of any legal terms or condition thereof.
2. Orders may be issued electronically or in writing. The purchase price for goods ("Products") and services sold to Buyer shall be as listed on the Order or as otherwise agreed in writing by the parties. Buyer may cancel or change Orders without penalty upon at least ten (10) days' notice. If Seller believes any such change will affect the price or delivery date, Seller shall so notify Buyer in writing (with reasonable supporting documentation) within three (3) days of receiving said written direction or the change shall be deemed accepted without modification to the price or date of delivery. Any such modification to price and/or delivery date must be pre-approved by Buyer in writing. No substitutions shall be made without Buyer's prior written consent. Products shall be tendered by Seller in a single delivery unless otherwise agreed. Shipments shall be F.O.B. (INCOTERMS 2010) Buyer's designated destination or otherwise in accordance with shipping terms on the Order. No charge will be allowed for packing, shipping or handling unless stated in the Order. Seller shall pay for damaged Products resulting from improper packing or marking. Itemized packing lists must accompany each shipment. Buyer's count will be final and conclusive on shipments not accompanied by Seller's itemized packing list. Time is of the essence. Seller shall promptly notify Buyer of any actual or anticipated delay and shall take all commercially reasonable steps to avoid or end delays without additional cost to Buyer.
3. Seller represents, warrants, and covenants that: (i) it has and will transfer good title to Products upon delivery, free and clear of all liens, claims and encumbrances of any kind; (ii) Products will conform to Seller's standard technical specifications and to all specifications, descriptions, drawings and standards provided by Buyer or otherwise agreed to by Seller, and they will be new, meet the highest industry standards, fit for the purpose(s) normally intended (or specifically intended if such intent is communicated to Seller in the Order or otherwise), and Products and services will be free from defects in design, materials and workmanship; (iii) Products and their use, sale, lease and distribution will not infringe, misappropriate, or violate trademarks, service marks, copyrights, patents, patent rights, trade secrets or other intellectual property rights of a third party; (iv) it will utilize all necessary or desirable protective equipment and devices, whether suggested or required by safety associations, government agencies, municipalities or otherwise; (v) that all services shall be done with the utmost skill, care and diligence, in a good and workmanlike manner, in accordance with the terms hereof and good industry standards of performance and in a timely manner; and (vi) it and the Products and services provided to Buyer will comply with all applicable laws, codes, standards and regulations (including, but not limited to anti-corruption and anti-bribery, child labor, affirmative action and conflict minerals). The foregoing warranties are enforceable by Buyer and its direct and indirect customers receiving such Products (together, "Customers"), and each shall remain valid for the longer of: (1) eighteen (18) months from the date of shipment from Seller; (2) such longer period as is offered by Seller in its then standard warranty; or (3) such longer period as is required by applicable law. If Seller breaches any of the foregoing warranties, Seller shall, at Buyer's election and at Seller's sole cost and expense (including, but not limited to, all transport, packaging, removal, testing, re-install and other labor costs): (a) repair or replace Products or services to Buyer's complete satisfaction; (b) reimburse Buyer for the purchase price paid for such Products or services; or (c) reimburse Buyer for the cost of substitute products or services obtained by Buyer from third-parties. Warranties shall begin anew on the date of repair or replacement pursuant to this Section 3.
4. Seller shall indemnify, defend and hold harmless Buyer, its parent, subsidiaries, Customers and affiliates, and its/their officers, directors, employees, agents, contractors and representatives, from and against any and all actual or asserted claims, actions, damages, injuries, fines, penalties, settlements, judgments, losses, costs and expenses (including court costs and attorneys' fees) (collectively "Losses") arising out of, in connection with, or resulting directly or indirectly from: (i) Seller's breach of any representation, warranty or covenant hereunder; (ii) the use, sale, lease or distribution of Products (including, without limitation, for Losses that are attributable, in whole or in part, to contamination, pollution or environmental damage (including clean-up costs), data or security breaches, or any inaccurate or misleading representations or omissions from any Product literature, communication, packaging, warning or instruction relating thereto); (iii) recall of Product initiated or required by Seller, a governmental agency or applicable laws, rules, orders or regulations; or (iv) negligence, gross negligence, recklessness, fraud, strict liability, fault, violation of law, or willful misconduct of Seller, its employees, suppliers, manufacturers, contractors, officers, directors, guests, invitees or agents. Seller acknowledges and agrees that its indemnity obligations under this Section 4 shall be enforceable against Seller regardless of whether or not insurance Seller maintains covers such indemnity obligations. The foregoing shall not be construed to negate, abridge, or otherwise reduce any other

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right or obligation that would otherwise exist as to any party or person described herein. In the event that any indemnity provisions herein are contrary to applicable law, then such indemnity obligations shall be construed to apply to the fullest extent allowed by applicable law.

5. **TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY, OR ITS PARENT OR AFFILIATES, OR ANY OF ITS/THEIR DIRECTORS, OFFICERS, EMPLOYEES OR AGENTS, BE LIABLE HEREUNDER FOR ANY SPECIAL, RELIANCE, CONSEQUENTIAL, EXEMPLARY, PUNITIVE, INCIDENTAL OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMIT, FROM DAMAGES TO PROPERTY, FOR LOSS OF PROFITS, INCOME, USE OR TIME, WHETHER IN TORT, CONTRACT, OR OTHERWISE RESULTING FROM PERFORMANCE OR NON-PERFORMANCE HEREUNDER, AND WHETHER OR NOT IT/THEY KNEW OF THE POSSIBILITY THEREOF; PROVIDED, HOWEVER, THIS SECTION 5 SHALL NOT LIMIT SELLER'S OBLIGATIONS UNDER SECTIONS 4 OR 10. ADDITIONALLY, THE LIABILITY OF SELLER TOWARDS BUYER FOR ANY CLAIM, HOWEVER ARISING, SHALL NOT BE LIMITED IN ANY OTHER WAY OR BY ANY SPECIFIC AMOUNT.**
6. Unless otherwise expressly agreed in writing by Buyer, Seller shall not, and shall not authorize any other party to, use, modify, reproduce or replicate any trademark, logo or trade name owned or claimed by Buyer ("Buyer Marks") in any way. Seller shall not contest Buyer's right of exclusive use of any Buyer Mark. Upon expiration or termination of the Order, Seller will remove and not thereafter use any sign, catalogue, brochure or other material (whether print or electronic) containing any Buyer Mark and Seller will, at Buyer's option, immediately destroy or return to Buyer such material in its possession or under its control containing Buyer Marks. In addition, Seller agrees not to use any Buyer Marks in any promotional material, including without limitation, customer lists, advertisements, or press releases, without Buyer's advance written authorization.
7. The occurrence of any one or more of the following shall constitute an "Event of Default": (i) delivery of services or Products failing to conform to any provision hereof ("Non-Conforming Products"); (ii) Seller's breach or failure to perform its obligations hereunder; or (iii) Seller's breach or misrepresentation of any representation or warranty herein. Upon an Event of Default, Buyer shall be entitled, but not required, to exercise any or all of the following: (i) for late delivery or performance, Buyer may extend the time therefore and/or require expedited shipping/services, and such Products/services shall be provided in the manner and per the timelines specified by Buyer, at Seller's sole cost; (ii) with respect to Non-Conforming Products, Buyer shall have all of the rights and remedies available under Sections 3 and 4 above; (iii) reject or revoke acceptance, as the case may be, of all or any portion of the shipment of Products containing any Non-Conforming Products; and/or (iv) exercise any other rights and remedies specified in the Order or otherwise available under applicable law. Buyer may exercise any one or more of the foregoing rights and remedies by notifying Seller of such intent. Buyer shall not be liable to Seller on account of exercising any such rights or remedies. Seller acknowledges and agrees that the occurrence of an Event of Default constitutes a substantial impairment of value to Buyer of the shipment at issue, the entire Order, and any other then pending Orders, so as to entitle Buyer to exercise any and/or all of the remedies specified herein, in the Order, and at law, and Seller hereby waives its right to cure the default in question, unless otherwise agreed in writing by Buyer. The making of or failure to make any inspection of or payment for the Products shall in no way impair Buyer's right to reject Non-Conforming Products, nor be deemed acceptance by Buyer of the Products, nor affect in any way Seller's obligations hereunder, notwithstanding Buyer's opportunity to inspect the Products, Buyer's knowledge of the non-conformity or defect, its substantiality or the ease of its discovery, nor Buyer's earlier failure to reject the Products.
8. All questions pertaining to the validity, construction, execution and performance of the Order and the relationship of the parties hereto shall be construed and governed by the laws of the province in Canada where Buyer has its principal place of business, without giving effect to the principles of (i) comity of nations; or (ii) conflicts or choice of law provisions thereof, and the Order shall not be governed by the U.N. Convention on Contracts for the International Sale of Goods. Exclusive jurisdiction shall be in the appropriate province of Canada where Buyer has its principal place of business.
9. Without limiting Seller's obligations or liabilities hereunder, Seller shall, on the date an Order is accepted and for a period of three (3) years thereafter, at its sole expense, purchase and maintain the following insurance coverage with carriers that have A.M. Best ratings of not less than A- and with a minimum financial rating of Class VII: (a) Commercial General Liability Insurance that covers all liabilities for bodily injury and property damages arising from the Products, services and/or the performance of an Order, with limits of liability of at least \$5,000,000 for each occurrence and in the aggregate. Coverage must include Products/Completed Operations, Personal and Advertising Injury and Blanket Contractual Liability. Such CGL insurance may be maintained through any applicable combination of CGL and Excess/Umbrella Coverage; (b) Automobile Liability Insurance that covers all liabilities for bodily injury and property damages arising from the use of all owned, hired or non-owned vehicles, with limits of liability of at least \$2,000,000 for each occurrence and in the aggregate; (c) Workers compensation coverage in accordance with the laws of the province or the state in which Supplier is conducting business in a form satisfactory to Buyer but no less than \$1,000,000; (d) Product Liability Insurance that covers the Products with limits of liability of at least \$5,000,000 in the aggregate; and (e) Technology Errors & Omissions Liability Insurance, with a minimum

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limit of \$5,000,000 per claim and in the aggregate, covering all Products including failure of information technology security, data privacy breach and software copyright infringement (if coverage is on a claims-made basis, the policy must contain a retro date which precedes the effective date of the Order and continuity must be maintained for 1 (one) year following termination or expiration of the Order). All insurance coverage required herein for Seller shall extend to and protect Buyer and its subsidiaries, parent company and/or affiliates to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those related to defense cost, are the sole responsibility of Seller and, upon Buyer's request, Seller shall disclose the same to Buyer. All policies, except the Workers' Compensation insurance, shall be endorsed to name Buyer, its parent and affiliated entities, and its/their directors, officers, employees, representatives, and agents, as an additional insured and such policies shall be endorsed to waive all express or implied rights of subrogation against Buyer, its parent and affiliated entities. The insurance coverage set forth above shall be primary to any liability insurance or other insurance carried by Buyer, its affiliates or parent and Buyer's, its affiliate's and parent's other insurance shall be excess and non-contributory for claims and losses arising out of the performance of an Order. Seller shall provide a coverage endorsement for each category of insurance required above, except for Workers' Compensation, which includes a cross liability clause, stating that the Seller and Buyer shall each be considered as a separate entity. The policies shall not be canceled, terminated or materially reduced without thirty (30) days' advance written notice to Buyer. Seller shall provide Buyer with a Certificate of Insurance evidencing the above-required types and amounts of insurance coverage and other requirements prior to selling Products and providing services to Buyer and on an annual basis thereafter. Failure of the Seller to provide Buyer the Certificate of Insurance or failure of Buyer to specifically request such certificate, shall in no way limit or release the Seller of its obligations or liabilities under this Section 9. In the event the Seller or its insurance carrier defaults on any obligation hereunder, Seller agrees that it will be liable for all reasonable expenses and attorneys' fees incurred by Buyer or its affiliates to enforce the provisions hereunder.

10. Buyer may disclose Confidential Information (as defined below) to Seller in connection with its purchase of Products and services from Seller. Seller shall not disclose any Confidential Information or any portion thereof to any person or entity and shall only use such Confidential Information to fulfill its obligations hereunder, it being understood that such Confidential Information provides Buyer with a competitive advantage in its trade because it is not generally known or available to the public. In that regard, Seller acknowledges and agrees that Buyer has taken and is taking reasonable steps to protect the confidentiality of, and its legitimate interests in, the Confidential Information. The term "Confidential Information" means information concerning Buyer's business, personnel, data, financial and marketing plans, intellectual property rights (including, without limitation, patents, trademarks, copyrights and trade secrets), forecasts, strategies and statements, and Customer related information. To the extent allowed by law, Seller shall notify Buyer in writing in advance of any disclosure of Confidential Information required by law, court or administrative order.
11. All notices permitted, required or provided for herein shall be made in writing, and shall be deemed adequately delivered if delivered by hand, certified mailing with return receipt requested, or by a recognized courier service that regularly maintains records of its pick-ups and deliveries, to the parties at their respective addresses, as set forth on the face of the Order or as otherwise designated by a party hereto. Any waiver of any of the provisions herein or of any inaccuracy in or non-fulfillment of any of the representations, warranties or obligations hereunder or contemplated hereby, shall not be effective unless made in writing and signed by the party against whom the enforcement of such waiver is sought. Any provision of these T&Cs that is deemed invalid or unenforceable in any jurisdiction shall, as to such jurisdiction only, be ineffective only to the extent of such invalidity or unenforceability, without rendering invalid or unenforceable or otherwise affecting the remaining terms and provisions hereof. Neither party may assign or otherwise delegate any of its rights or obligations hereunder without the prior written consent of the other party, which consent will not be unreasonably withheld, delayed or conditioned; provided, however, Buyer shall have the right to assign Orders without Seller's consent to an affiliate of Buyer. The provisions hereof that by their nature are intended to survive the termination, cancellation, completion or expiration of the Order shall continue as valid and enforceable obligations of the parties notwithstanding any such termination, cancellation, completion or expiration. To the maximum extent permitted by applicable law: (i) Seller's warranties are fully-enforceable by Buyer and its Customers (as intended third-party beneficiaries); and (ii) the indemnities provided hereunder are fully-enforceable by Buyer and/or any or all of the other indemnitees identified above in Section 4.
12. Seller represents and warrants that it will at all times comply with all applicable laws and regulations, including without limitation, those regarding corruption, bribery, anti-trust, trade, economic, and financial restrictions, trade embargoes, and any amendments thereto (for purposes of this Section 14, collectively the "Laws") imposed by any applicable governmental authority, including where applicable, Canada, the United States and the European Union. Buyer shall not be liable, and Seller agrees to indemnify, defend, and hold harmless Buyer, for any breach of such Laws and for all claims, liabilities, costs (including attorneys' and experts' fees and court costs), damages, and penalties associated therewith or arising therefrom. Seller shall take all actions necessary to ensure that its suppliers, subcontractors, materialmen, and other business partners (i) comply with applicable Laws; and (ii) do not cause Buyer to violate applicable Laws. If applicable, Seller undertakes to timely provide all information and

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documentation necessary for export, shipment, and import. Buyer shall not be liable, and Seller shall indemnify, defend, and hold Buyer harmless, for delays and any other losses, including liquidated damages assessed against Buyer, arising or resulting from Seller's failure to timely deliver Products and/or provide accurate information and documentation, export/import reviews, or any related permitting procedures. To the extent permitted by law, Seller shall, promptly upon becoming aware, provide to Buyer details of any claim, action, suit, proceedings or investigation against it with respect to Laws brought by any enforcement authority. In the event that Buyer should believe, acting in good faith, that Seller has violated, or is under investigation for violating, any Laws, or if Seller is identified on any applicable sanctions list, Buyer shall have the immediate right to terminate its relationship and/or any contract with Seller without liability. Furthermore, Seller agrees to act in compliance with Buyer's compliance program and in particular with Buyer's Supplier Code of Conduct available at <https://soneparcanada.com/compliance/>.