

Terms and Conditions of Purchase – Eddyfi Canada Inc.

1. INTERPRETATION - "Buyer" means Eddyfi Canada Inc. including its parent company, subsidiary(ies) or affiliates receiving the Goods and Services or named in Buyer's purchase order;

"Goods" means the items ordered under a Buyer's purchase order;

"Seller" means the company named as the supplier in a Buyer purchase order.

"Services" means services provided by Seller under a Buyer purchase order.

SELLER, BY ACCEPTING A PURCHASE ORDER FROM BUYER, BY SIGNING THE SAME OR BY COMMENCING PERFORMANCE OF THE ORDER, ACCEPTS WITHOUT RESERVATION OR LIMITATION THESE TERMS AND CONDITIONS OF PURCHASE, WHICH TOGETHER WITH SUCH PURCHASE ORDER (INCLUDING ANY DOCUMENTS, DRAWINGS OR SPECIFICATIONS OR ANY ADDITIONAL TERMS THAT MAY BE STIPULATED THEREIN) FORM THE AGREEMENT IN EFFECT BETWEEN THE PARTIES (THE "AGREEMENT"). BUYER'S ACCEPTANCE OF THE GOODS AND/OR SERVICES, OR PAYMENT THEREFOR, SHALL NOT CONSTITUTE BUYER'S ACCEPTANCE OF ANY ADDITIONAL OR DIFFERENT TERMS AND CONDITIONS, UNLESS AGREED TO BY BUYER IN A SIGNED WRITING. IN THE EVENT OF ANY CONFLICT OR INCONSISTENCY BETWEEN THE DOCUMENTS CONSTITUTING THE AGREEMENT, UNLESS OTHERWISE EXPRESSLY PROVIDED, THE DOCUMENTS SHALL TAKE PRECEDENCE IN THE FOLLOWING ORDER: (1) THESE TERMS AND CONDITIONS OF PURCHASE; (2) BUYER'S PURCHASE ORDER; AND (3) ANY ADDITIONAL DOCUMENTS, DRAWINGS, SPECIFICATIONS OR CLAUSES SET FORTH IN BUYER'S PURCHASE ORDER. THE AGREEMENT MAY NOT BE MODIFIED, TERMINATED OR CANCELLED WITHOUT WRITTEN NOTICE SIGNED BY AUTHORIZED REPRESENTATIVES OF BUYER.

2. PRICES - The prices stated on the purchase order shall remain in effect for the duration of the Agreement, except as otherwise provided herein.

3. CUSTOMER ACCESS - Seller warrants to Buyer and its customers access to its facilities and any documents related to the Agreement.

4. COMPLIANCE WITH LAW - Seller agrees to comply at all times with all applicable laws, ordinances and regulations, including those affecting or limiting the pricing, production, purchase, sale and use of the Goods or Services as well as with the [Supplier Code of Conduct and Ethics](#). If requested by Buyer, Seller agrees to certify, promptly and in the manner requested by Buyer, its compliance with such laws.

5. TERMS OF PERFORMANCE - Seller shall inform Buyer of all developments and decisions relating to the performance of the Agreement. Both parties shall cooperate with respect to technical problems concerning the Goods or Services developed or purchased under the Agreement, including those relating to their specifications. Accordingly, Seller shall inform Buyer of all available options prior to making any decision in this regard.

6. PACKING AND SHIPPING - Handling of Goods for shipment shall be in accordance with (1) good commercial practice; (2) carrier requirements for minimum shipping rates; and (3) practices to ensure safe arrival at port. Buyer may return, at Seller's expense, any Goods received that do not meet these requirements.

7. ACCEPTANCE AND WARRANTY - Final acceptance of the Goods or Services by Buyer may be made only after delivery or performance thereof at Buyer's facilities from which this order was placed, unless otherwise provided herein. Seller assumes liability for loss or damage to the Goods until Buyer has accepted the Goods.

Seller warrants that: 1) All Goods or Services furnished by Seller pursuant to this Order meet the requirements, specifications, drawings, samples or other descriptions furnished to or employed by Seller and are of good quality as to parts and workmanship, free from defects in workmanship or design, are of good merchantable quality and are fit for the purpose intended; 2) Upon payment of the purchase price, Buyer

shall receive good title to the Goods free and clear of all liens, encumbrances and claims; 3) All Goods furnished by Seller under the purchase order comply with all applicable laws and governmental regulations.

These warranties given by Seller are for the benefit of Buyer, its directors, officers, agents, employees and purchasers (direct or indirect). Buyer's approval of designs or specifications provided by Seller does not relieve Seller of its obligation under this warranty. Seller's warranty shall be effective for the period specified in the purchase order. If no time frame has been established on the purchase order, the warranty shall be effective for a period of one (1) year from the date of Buyer's acceptance of the Goods or Services or such longer period as Seller may specify.

The cost of all returns of Goods to Seller or rejection of Services resulting from breach of warranty hereunder shall be borne by Seller, including expenses and penalty charges incurred by Buyer in connection with the recall of such Goods delivered to Buyer's customers or Services performed for Buyer, and the cost of the second delivery.

Seller agrees that delivery of the Goods covered by this purchase order constitutes certification that all Goods included in each shipment comply in all respects with the applicable requirements, specifications and drawings. Seller shall file reports of process control, inspection and test data relating to the Goods and their parts which will or may be reviewed by Buyer or its authorized representatives to ensure compliance with such applicable requirements, specifications and drawings. However, if required by such drawings, a certificate of compliance shall accompany each shipment.

Any Goods or Services not accepted by Buyer may be returned to Seller or rejected at Seller's expense and full credit for the purchase price shall be given. Buyer may, at its option, inspect the Goods by sampling. The entire lot of Goods may be rejected because of defects revealed by such sampling. At Buyer's option, the rejected lot shall be returned to Seller for replacement or credit or shall be examined by Buyer at Seller's expense. The initial inspection performed by Buyer upon receipt of the Goods shall constitute conditional acceptance and shall not interfere with Buyer's right to return Goods to Seller which exhibit or develop defects due to latent defects during or after installation or testing of the final product.

Seller shall retain all drawings, plans, patterns, tools or other special items furnished or paid for by Buyer, which shall be in good condition and shall remain the property of Buyer, unless otherwise specified, and such items shall be returned in good condition when the work covered by the purchase order has been completed or discontinued, or at any other time requested by Buyer. Seller shall not use any drawings, plans, patterns, tools or other items furnished by Buyer or manufactured by Seller for delivery to or use by Buyer or for furnishing to Buyer by Seller for any purpose other than to supply Buyer without Seller's prior written consent, provided, however, that if a government has rights to such items under a prime contract with Buyer, timely use of the items for direct sale to such government shall be permitted if written notice is provided to Buyer prior to such use. If any materials, equipment, special drawings, plans, patterns or other items are delivered by Buyer in the performance of the purchase order, all risk of loss or damage thereto shall rest with Seller from the time they are shipped to Seller until they are redelivered to and received by Buyer.

If Seller is unable to make delivery or Buyer is unable to receive the Goods or Services covered by the purchase order due to governmental action or regulation (except as provided below), fire, strikes, accidents or other contingencies beyond the control of either party, the obligation to receive or deliver shall be suspended for a reasonable period of time during which such causes continue to exist. If delivery by Seller is delayed for more than ten (10) days due to such events, Buyer may cancel all or part of future deliveries to be made by Seller without any obligation to Seller and may obtain similar Goods from other suppliers.

8. AFTER-SALES SERVICE - Without limiting the foregoing, Seller shall provide, at its expense, efficient, professional and diligent after-sales service for the Goods purchased, as well as for the Services rendered under the Agreement.

9. CHANGES - Buyer may, at any time upon written notice, make changes consistent with the general scope hereof, drawings and specifications, shipping instructions, quantities and delivery schedules. Changes resulting in a decrease or increase in the cost or time of performance of the Agreement may result in an equitable adjustment in price or delivery schedule. Seller shall submit such requests for adjustment within 30 days of the request for change, or such longer period as the parties may agree, provided none of such requests unduly delays Seller's performance.

10. TERMINATION - Buyer may discontinue or cancel all or any part of this Agreement, upon notice to Seller, without incurring any additional obligation to Seller, except for (1) labor and material costs incurred as of the date of termination and (2) reasonable termination costs agreed to by Buyer.

Upon termination of this Agreement for any reason, each party shall immediately return to the other party any property or documents belonging to it, shall cease all use of the other party's intellectual property and any representation that the Agreement is still in effect. Each party shall also send to the other party any information that the other party is entitled to receive hereunder.

Notwithstanding the foregoing, the provisions relating to warranties, intellectual property, indemnification, choice of jurisdiction and confidentiality shall survive the termination of this Agreement, and such termination shall not operate to relieve either party of any amount it may owe to the other party.

11. CONFIDENTIAL INFORMATION - During the performance of the Agreement, Seller may acquire confidential or proprietary information concerning Buyer, including: (a) data of a technical nature (manufacturing processes, formulas, trade secrets, secret processes or devices, inventions and research projects); and (b) data of a business nature (costs, profits, pricing policies, markets, sales, suppliers, customers, expansion plans, product development plans, marketing plans and strategies, and other such data) that Buyer does not generally disclose publicly. Because of Buyer's desire to keep such information confidential and not to disclose it to competitors or the general public, Seller agrees: (a) to keep all confidential information secret and in strict confidence; (b) not to disclose the information to anyone other than employees of Buyer authorized to receive such information; and (c) not to use the confidential information for any purpose other than the performance of the Agreement. Seller further agrees to deliver to Buyer, upon completion of the performance of the Agreement, all memoranda, records, reports, manuals, drawings and other documents (and all copies thereof) relating to Buyer's business, as well as property associated therewith, in its possession or custody. Such confidential information is and shall remain the sole property of Buyer, and any intellectual property derived from its disclosure or from any Services performed by Seller on behalf of or for Buyer shall remain the sole property of Buyer. In this regard, Seller irrevocably assigns to Buyer any and all rights in such confidential information and agrees to execute any and all documents necessary for Buyer to obtain recognition of its ownership of the confidential information and the intellectual property that may be derived therefrom, including any documents necessary to obtain a patent. Seller also waives all of its moral rights with respect to any such confidential information.

12. CONFIDENTIALITY OF THIS AGREEMENT - The terms of this Agreement shall be kept strictly confidential, except to the extent that disclosure is required by law or for the purpose of enforcing a right in an administrative or judicial proceeding. In such event, the parties mutually agree to inform the other party of any anticipated disclosure, and agree to enter into a signed summary or excerpt of this Agreement, if necessary, to avoid disclosure of any information not specifically required to be disclosed.

13. INDEMNITY FOR PATENT / TRADEMARK / COPYRIGHT INFRINGEMENT - Seller shall indemnify and hold harmless Buyer, its directors, officers, agents, employees and purchasers (whether direct or indirect), and its customers and users of the Goods ("**Indemnified Persons**") from and against any and all liability for any loss, damage or obligation resulting from any alleged or proven infringement of any patent, trade mark, copyright or other intellectual property, and Seller shall bear the cost of defending any such infringement, Seller shall not be liable for any loss, damage or liability resulting from any alleged or proven infringement of any patent, trademark, copyright or other

intellectual property, and Seller shall bear the cost of defending any claim, suit or infringement proceeding brought against an Indemnified Person. The obligation shall be on Seller to the extent that the claims are properly before it, provided that indemnity shall not cover any infringement attributable to the joint use or sale of any Goods delivered hereunder with other goods not delivered hereunder if the infringement would not have occurred if the Goods had been used or sold exclusively for their intended purpose.

14. INTELLECTUAL PROPERTY - Buyer shall be and remain the exclusive owner of all intellectual property relating to the Goods developed or deliverables relating to Services rendered under this Agreement and any improvements or modifications thereto. To this end, Seller agrees to share and deliver to Buyer all drawings, plans, specifications, codes, names and contact information of any parts suppliers and technical information relating to such Goods or deliverables resulting from Services. Seller shall immediately disclose to Buyer all discoveries, improvements and inventions created or conceived by Seller during the term of this Agreement to the extent that they are either directly or indirectly related to Buyer's current or anticipated business, the result of Seller's activities for Buyer or are suggested by Buyer. The parties agree that such discoveries, improvements or inventions, whether patentable or copyrightable, shall remain the sole property of Buyer, and Seller irrevocably assigns to Buyer all of its rights in such discoveries, improvements or inventions. During or after the performance hereof, Seller, its agents and successors, shall, without receiving additional compensation, complete any patent, copyright application, assignment form and any other documents that Buyer may deem necessary or useful for the assignment and transfer to Buyer, at Buyer's expense, of any right, title or interest in any discovery, improvement or invention anywhere in the world as required by Buyer.

15. RESEARCH AND DEVELOPMENT - Buyer assumes all technological risks related to the research and development of the Goods or Services rendered, and thus shall claim any Scientific Research and Experimental Development (SR&ED) tax credits for which it is eligible in connection with such Goods and Services.

16. INDEMNIFICATION - Seller shall indemnify and save harmless and hold harmless the Indemnified Persons from any liability or claims in respect thereof, costs and expenses, including legal representation, arising out of the death of or injury to any person, damage to or loss of property, or financial loss arising out of any act or omission of Seller under the Agreement or the Goods or Services.

17. REQUIRED INSURANCE - From the commencement of performance of the obligations described herein until the completion of such performance, Seller shall, at its expense, maintain in force the following insurance coverage with an insurer acceptable to Buyer (i) a commercial general liability policy in the minimum amount of \$2,000,000 per occurrence, without aggregate, and (ii) a policy of professional errors and omissions liability insurance in an amount not less than \$1,000,000 per occurrence, without aggregate, proof of which shall be required at the commencement of performance or prior to any payment to Seller. At Buyer's request, the policies shall list Buyer as an additional insured.

18. TAXES - Except as otherwise provided in the Agreement, Seller shall hold Buyer harmless from the assessment or imposition of any excise or other taxes (however designated) on the production, sale or delivery of the Goods or Services to the extent that such assessment or imposition is required to be, or is not prohibited by law from being, borne by Seller.

19. LEGAL PROCEEDINGS - An immediate event of default for any party shall be the making of any order or execution of any proposal or arrangement with its creditors or notice of intention to make any such proposal or arrangement, the assignment of its assets for the benefit of its creditors, the filing of an action in bankruptcy against it, the appointment of a trustee or any bankruptcy officer under any insolvency provision, the seizure or execution of a judgment upon all or any of its assets (unless the seizure is duly contested within 5 days of its execution), or if it otherwise becomes insolvent. In such event, termination of this Agreement shall be deemed effective on the day prior to the commencement of such proceedings.

20. RELATIONSHIPS BETWEEN THE PARTIES - The parties are independent contractors and this Agreement shall be binding upon them only for the purposes set forth herein. Accordingly, the provisions of this

Agreement shall not be construed as creating any partnership or corporation between the parties or as conferring any agency on either party. Further, a party shall not bind the other party in any way or to any person other than in accordance with the provisions of this Agreement. Under no circumstances will either party be liable for the acts, omissions, liabilities or obligations of the other party.

21. ASSIGNMENT AND SUCCESSORS - This Agreement shall be binding upon the parties, their respective successors, heirs and assigns, and their legal representatives and any entity resulting from the merger of a party with another person. However, neither party may assign or otherwise transfer or subrogate to any third party all or any of its rights under this Agreement without first obtaining the other party's written permission to do so. Any attempted assignment or transfer of any right, duty or obligation under this Agreement shall be void in all respects. A party may, however, employ the assistance of subcontractors, provided that such party shall in any event remain fully liable to the other party for the obligations of this Agreement and the activities of the subcontractors.

22. REMEDIES - The failure of Buyer to enforce, at any time or during any period, any provision of this Agreement shall not constitute a waiver of that provision or of Buyer's right to enforce each of the other provisions. No waiver of any remedy for breach of any provision of this Agreement shall constitute a waiver of any remedy for any other breach of this Agreement or of such provision.

23. VALIDITY - If any provision of the Agreement is invalid or otherwise unenforceable, the validity and enforceability of the remaining provisions of the Agreement shall not be affected.

24. TIME IS OF THE ESSENCE – With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

25. GOVERNING LAW AND JURISDICTION - Any claim or dispute arising out of or relating to this Agreement shall be governed by the laws of the Province of Quebec and the laws of Canada applicable therein, without regard to principles of conflicts of law. The parties agree, with respect to any claim for any reason whatsoever arising out of or relating to the interpretation, application, performance, effectiveness, validity and effect of this Agreement, to select the judicial district of the City of Quebec (Province of Quebec, Canada) as the proper venue for the hearing of such claims to the exclusion of any other jurisdiction that may have jurisdiction under the requirements of law. The parties waive any objection they may have now or hereafter that the forum chosen is not appropriate for the hearing of any matter relating to this Agreement.

26. ENGLISH LANGUAGE - The parties hereby confirm their express wish that this Agreement be drawn up in English. *Les parties reconnaissent leur volonté expresse que la présente convention soit rédigée en langue anglaise.*

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