



## Annex 1

### **Terms and Conditions of Sale**

These terms and conditions govern the sale of Products ("Products") and the provision of services ("Services") by E2IP TECHNOLOGIES and its divisions, subsidiaries and affiliates ("Seller") as well as by third party vendors and/or service providers of Seller. These terms and conditions ("Agreement") take precedence over Buyer's supplemental or conflicting terms and conditions to which notice of objection is hereby given. Acceptance by Buyer is limited to and conditioned upon Buyer's assent to these terms and conditions. Neither Seller's commencement of performance or delivery shall be deemed or constituted as acceptance of Buyer's supplemental or conflicting terms and conditions. Buyer's acceptance of the Products and/or Services from Seller shall be deemed to constitute acceptance of the terms and conditions contained herein. THESE TERMS AND CONDITIONS MAY ONLY BE WAIVED OR MODIFIED IN A WRITTEN AGREEMENT SIGNED BY AN AUTHORIZED REPRESENTATIVE OF SELLER.

#### **1. Quotations**

Quotation quantities are based on production lots, which are fully deliverable unless otherwise specified. For Purchaser's requirement spread over a longer span of time, the Seller may choose to manufacture the product in separate lots and the price will be adjusted accordingly. Quotations are based on the Seller's interpretation of the specifications provided by the Purchaser. Any additional information which changes the specifications or the Seller's interpretation thereof may result in a change to the quotation.

#### **2. Orders**

All orders placed by Buyer are subject to acceptance by Seller. Orders may not be cancelled or rescheduled without Seller's written consent. All orders must include delivery dates, quantities and complete description of Products being purchased. Any Provision contained in a purchase order or any other business forms, which are inconsistent with the terms and conditions stated in this agreement, shall be considered null, unless otherwise agreed upon amongst both parties, and confirmed in writing.

The Seller is not obliged to accept cancellations except through payment of a cancellation charge. The Seller shall determine the charge based on costs incurred by it prior to the date of cancellation.

#### **3. Prices**

(a) The prices of the Products are those specified on the front of Seller's invoice. Pricing for undelivered Product may be increased in the event of any increase in Seller's cost, change in market conditions or any other causes beyond Seller's reasonable control. Price quotations, unless otherwise stated, shall automatically expire thirty (30) calendar days from the date issued and may be cancelled or amended within that period upon notice to Buyer.

(b) Unless otherwise agreed to in writing by Seller, all prices quoted are exclusive of transportation and insurance costs, duties, and all taxes including, but not limited to, federal, state, provincial and local sales, excise, value added, goods and services taxes and any other taxes. Buyer agrees to pay these taxes unless Buyer has provided Seller with an exemption resale certificate in the appropriate form for the jurisdiction of Buyer's place of business and any jurisdiction to which Products are to be directly shipped hereunder, or unless the sale is otherwise exempt from these taxes. Buyer agrees to indemnify and hold Seller harmless for any liability for tax in connection with the sale, as well as the collection or withholding thereof, including penalties and interest thereon. When applicable, transportation and taxes shall appear as separate items on Seller's invoice.

#### **4. Engineering Charges**

Engineering charges are based on the engineering time required to design a product to the Purchaser's requirements. Payment of the engineering charges does not constitute ownership of a particular design. Since many designs incorporate proprietary or patented techniques, processes, etc. the Seller is normally the only manufacturer capable of producing the design.

#### **5. Tooling/Artwork/Film Charges**

Tooling/Artwork/Film fabricated by the Seller is designed to operate in special fixtures and machines. Such Tooling/Artwork/Film uses proprietary features developed by the Seller based on years of experience and will remain in the Seller's possession for the use of the Purchaser. The Seller generally keeps Tooling/Artwork/Film as long as it is "active" unless otherwise agreed to in writing. Tooling/Artwork/Film should be considered "active" if it has been used for a production order within the preceding 24 months. At any time after 24 months of inactivity, subsequent orders may incur charges for new Tooling/Artwork/Film.

## 6. Payment

- a) Unless otherwise specified the Seller requires a 50% deposit and a COD balance for 1<sup>st</sup> orders from a new customer. Upon credit approval, subsequent orders are net 30 days from the date of the invoice, unless otherwise specified in writing by the Seller. In addition, Buyer will be deemed to have accepted an invoice upon the fifteenth (15th) day from the date of invoice and no further objections to the invoice will be permitted or accepted. If Seller otherwise specifies in writing payment terms longer than thirty (30) days from the date of invoice, then: (i) the invoice will be deemed accepted upon the thirty (30th) day from the date of invoice and no further objections will be permitted or accepted; and
- (ii) Buyer must certify within thirty (30) days from the date of invoice that payment has been submitted for processing. Seller may invoice each shipment separately and each shipment shall be considered a separate and individual contract. Buyer agrees to pay such invoice pursuant to its terms without the benefit of setoff or deduction.
- (b) All late payments shall be charged interest computed on a daily basis from the due date until paid in full. Interest at the rate of X%, based on the Bank of Canada prime rate + 1% per month or the maximum rate permitted by applicable law, whichever is less, will be imposed on all past due accounts. Buyer shall be liable for costs of collection, including reasonable attorneys' fees and court costs, in any action to collect past due amounts.
- (c) Transportation charges from Seller's facility to Buyer's facility shall be paid by Buyer. Seller will select the carrier in the absence of specific instructions by Buyer.
- (d) Seller reserves the right to establish and/or change credit and payment terms extended to Buyer when, in Seller's sole opinion, Buyer's financial condition or previous payment record warrants such action. Further, on delinquent accounts, Seller shall not be obligated to continue performance under any agreement with Buyer.
- (e) If Seller believes in good faith that Buyer's ability to make payments may be impaired or if Buyer shall fail to pay any invoice when due, Seller may suspend delivery of any order or any remaining balance thereof until such payment is made or cancel any order or any remaining balance thereof, and Buyer shall remain liable to pay for any Products already shipped.
- (f) Seller retains a purchase money security interest in the Products delivered to Buyer, and in their accessories, replacements, accessions, proceeds and Products, including accounts receivable (collectively, the "Collateral") to secure payment of all amounts due under this Agreement. Buyer's failure to pay all amounts hereunder in full when and as due shall constitute a default hereof and shall give Seller all rights of a secured party. If Buyer fails to pay any amount when due, Seller shall have the right to repossess and remove all or any part of the Collateral from Buyer, but not from Buyer's Customers. Any repossession or removal shall be without prejudice to any other remedy of Seller hereunder, at law or in equity. Buyer agrees, from time to time, to take any act and execute and deliver any document (including, without limitation, financial statements) reasonably requested by Seller to transfer, create, perfect, preserve, protect and enforce this security interest.
- (g) Any payment received from Buyer may be applied by Seller against any obligation owing from Buyer to Seller, regardless of any statement appearing on or referring to such payment, without discharging Buyer's liability for any additional amounts owing from Buyer to Seller, and the acceptance by Seller of such payment shall not constitute a waiver of Seller's right to pursue the collection of any remaining balance.

## 7. Delivery and Title

All shipping costs to be paid by the Buyer, using Incoterms 2020 EXW. Subject to Seller's right of stoppage in transit, delivery of the Products to the carrier shall constitute delivery to Buyer and title and risk of loss shall thereupon pass to Buyer. Selection of the carrier and delivery route shall be made by Seller unless specified by Buyer. Buyer acknowledges that delivery dates provided by Seller are estimates only and Seller shall not be liable for delays in delivery or for failure to perform due to causes beyond the reasonable control of Seller nor shall the carrier be deemed an agent of Seller. In the event of delay caused by such event, the date of delivery shall be extended for a period equal to the time lost as a consequence of the delay in delivery without subjecting Seller to any liability or penalty. If the Products perished while in the custody of the carrier, the Seller shall be deemed to have performed its obligations in full. Delivery of a quantity, which varies from the quantity specified, shall not relieve Buyer of the obligation to accept delivery and pay for the Products delivered. Delay in delivery of one installment shall not entitle Buyer to cancel other installments.

## 8. Acceptance/Returns

Shipments will be deemed to have been accepted by Buyer upon delivery of the said shipments to Buyer. The Seller reserves the right to ship +/- 5% of total order for membrane switches and +/- 10% of total order for overlays, decals, labels and related products. Buyer shall perform whatever inspection or tests Buyer deems necessary as promptly as possible but in no event later than fifteen (15) days after delivery, after which time Buyer will be deemed to have irrevocably accepted the Products. The Seller will not accept any products for return for any reason unless:

- (a) a claim is made within 15 days after Purchaser's receipt of the relevant products.
- (b) the authorization number to return the relevant products is obtained from the Seller

- (c) the relevant products are properly packaged and returned to the Seller within 15 days from receipt of such authorization number, and;
- (d) the requested credit or replacement has a value in excess of \$50.

## **9. Limited Warranty and Limitation of Liability**

- (e) Seller's standard product warranty is 12 months from when the Buyer takes ownership of the Products.
- (f) Seller's exclusive obligations with respect to a non-compliant Product shall be, at Seller's option, to repair or replace the Product, if it is determined to be defective. The warranty provided under this Section 9(b) with respect to the repair or replacement of Products, shall survive for the remainder of the original 12 months warranty period or 90 days whichever is greater, following the delivery date of the Products. Notwithstanding anything herein to the contrary, the liability of Seller under this Section 9(b) for all claims shall not exceed the sum of Buyer's payments for the Products which are the subject of the dispute and the foregoing is Buyer's sole and exclusive remedy for all claims under this Section 9(b).

THE FOREGOING WARRANTIES ARE THE SOLE WARRANTIES, EXPRESS OR IMPLIED, GIVEN BY SELLER IN CONNECTION WITH THE PRODUCTS, AND SELLER DISCLAIMS ALL OTHER WARRANTIES, INCLUDING, BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NONINFRINGEMENT OF THIRD PARTY RIGHTS AND WARRANTIES AGAINST LATENT DEFECTS.

(g) No warranty shall apply to any Product that has been subject to misuse, improper testing, assembly, mishandling, or which has been operated contrary to current instructions relating to installation, maintenance or operation, or contrary to industry standards relating to acceptable input power. No warranty shall apply to any Product usage not set out in specifications provided by the Purchaser; or usage which exceed the specifications provided by the Purchaser.

(h) BUYER SHALL NOT IN ANY EVENT BE ENTITLED TO, AND SELLER SHALL NOT BE LIABLE FOR, INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY NATURE INCLUDING, WITHOUT LIMITATION, BUSINESS INTERRUPTION COSTS, REMOVAL AND/OR REINSTALLATION COSTS, REPROCUREMENT COSTS, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, PROMOTIONAL OR MANUFACTURING EXPENSES, OVERHEAD, INJURY TO REPUTATION OR LOSS OF CUSTOMERS, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. BUYER'S RECOVERY FROM SELLER FOR ANY CLAIM SHALL NOT EXCEED BUYER'S PURCHASE PRICE FOR THE PRODUCT GIVING RISE TO SUCH CLAIM IRRESPECTIVE OF THE NATURE OF THE CLAIM, WHETHER IN CONTRACT, TORT, WARRANTY, OR OTHERWISE. SELLER SHALL NOT BE LIABLE FOR AND BUYER SHALL INDEMNIFY, DEFEND AND HOLD SELLER HARMLESS FROM ANY CLAIMS BASED ON SELLER'S COMPLIANCE WITH BUYER'S DESIGNS, SPECIFICATIONS OR INSTRUCTIONS, OR MODIFICATION OF ANY PRODUCTS BY PARTIES OTHER THAN SELLER, OR USE IN COMBINATION WITH OTHER PRODUCTS. IF, FOR ANY REASON, THE FOREGOING LIMITATIONS ARE FOUND BY AN ARBITRATION PANEL OR COURT OF COMPETENT JURISDICTION TO BE INVALID OR INAPPLICABLE UNDER ANY APPLICABLE STATE OR PROVINCIAL LAW, BUYER AGREES THAT SELLER'S TOTAL LIABILITY FOR ALL DAMAGES, LOSSES, OR CAUSES OF ACTION OF ANY KIND OR NATURE SHALL BE LIMITED TO ACTUAL DAMAGES WITHOUT REGARD TO ANY PUNITIVE OR EXEMPLARY DAMAGES PROVIDED BY ANY SUCH APPLICABLE LAW.

(i) Buyer acknowledges that this Agreement was entered into at arm's length and that it was not fraudulently induced to enter into this Agreement, in whole or any part, and Buyer explicitly disclaims and waives any claim with respect thereto.

## **10. Intellectual Property**

Seller covenants that it will not disclose or convert to its own use or to the use of any other party any trade secret, industrial design or industrial process owned by the Purchaser and obtained by Seller pursuant to this Agreement. Purchaser agrees to hold Seller harmless against any expense or loss resulting from a claim for actual or alleged infringement of patents, copyrights or other industrial or intellectual property arising from compliance by Seller with Purchaser's designs, specifications or instructions relating to the supply of products and for claims which relate to the use of the products in a manner or for a purpose not intended.

## **11. Export Control/Use of Products**

Buyer certifies that it will be the recipient of Products to be delivered by Seller. Buyer acknowledges that the Products are subject to the export and/or import control laws and regulations of various countries including the Export Administration Laws and Regulations of the United States. Buyer agrees to comply strictly with all U.S. export laws and assume sole responsibility for obtaining licenses to export or re-export as may be required and acknowledges that it shall not directly or indirectly export any Products to any country to which such export or transmission is restricted or prohibited. Products sold by Seller cannot be transferred, sold or re-exported to any party on the Entity List or Restricted Person List of the U.S. Department of Commerce, Bureau of Export Administration (BXA), any party designated by the U.S. Treasury Department's Office of Foreign Assets Control, and any party debarred or sanctioned for proliferation or terrorism reasons by the U.S. State Department. If the products sold by the Seller to the Buyers are intended to be used in life support, life sustaining, nuclear, or other applications in which the failure of such Products could reasonably be expected to result in personal injury, loss of life or catastrophic property damage; (1) Buyer acknowledges that such use or sale is at Buyer's sole risk; (2) Buyer agrees that Seller and the manufacturer of the Products are not liable, in whole or in part, for any claim or damage arising from such use; and (3) Buyer agrees to indemnify, defend and hold Seller of the Products harmless from and against any and all claims, damages, losses, costs, expenses and liabilities arising out of or in connection with such use or sale.

## **12. Technical Assistance or Advice**

Any technical assistance or advice offered by Seller in regard to the use of any Product or provided in connection with Buyer's purchases is given

free of charge and only as an accommodation to Buyer. Seller shall have no obligation to provide any technical assistance or advice to Buyer and if any such assistance or advice is provided, such fact will not obligate Seller to provide any further or additional assistance or advice. Seller shall not be held liable for the content or Buyer's use of such technical assistance or advice nor shall any statement made by any of Seller's representatives in connection with the Products or Services constitute a representation or warranty, express or implied.

### **13. Dispute Resolution**

(j) Except for situations governed by Section 14, the parties agree that any and all disputes, claims, or controversies arising out of or related to the validity, interpretation or performance of this Agreement for all Products delivered outside of Canada, and all Services performed outside of Canada, shall be resolved pursuant to this Section 13 and that the validity, interpretation and performance of this Agreement for all Products delivered, and all Services performed hereto, shall be governed by, and construed in accordance with, the internal law of Massachusetts, without giving effect to conflict of laws principles. Both parties agree that any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to any claimed breach, shall be commenced in a state or federal court located in the Commonwealth of Massachusetts, and both parties expressly acknowledge that personal jurisdiction and venue shall lie exclusively and is properly in Massachusetts. Both parties further agree that any action, demand, claim or counterclaim relating to the validity, interpretation and performance of this Agreement, or any other matter between the parties, shall be resolved by a judge alone in Massachusetts, and both parties hereby waive and forever renounce the right to a trial before a civil jury.

(k) For all disputes to which this Section 13 applies and the amount, in the aggregate, of the obligations arising out of this agreement equals or exceeds

(l) \$100,000, the validity, interpretation and performance of this Agreement shall be governed by, and construed in accordance with the laws of the State of New York, without giving effect to conflict of laws principles, and the Federal Rules of Civil Procedure to any dispute.

(m) With respect to all disputes, the provisions of the United Nations Convention on Contracts for the International Sale of Goods 1980 (as amended, replaced or codified from time to time) shall not apply.

(n) If it is found that a term of this agreement is null and unenforceable, this agreement shall be considered to be divisible as to this term, the other terms and conditions remaining valid and continuing to be binding on the parties hereafter as if the said term had not been included herein.

### **14. Dispute Resolution - Canada**

The validity, interpretation and performance of this Agreement for all Products delivered to or in Canada, and all Services performed in Canada, shall be governed by, and construed in accordance with the laws of Quebec, without giving effect to conflict of laws principles. Both parties agree that any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to any claimed breach, shall be commenced in a court of competent jurisdiction in the judicial district of Montreal, Quebec, and both parties expressly acknowledge that personal jurisdiction and venue shall lie exclusively and is properly in Montreal, Quebec. With respect to all disputes, the provisions of the United Nations Convention on Contracts for the International Sale of Goods 1980 (as amended, replaced or codified from time to time) shall not apply. The validity, interpretation and performance of this Agreement for all Products delivered to or in Canada, and all Services performed in Canada, shall be governed by, and construed in accordance with the laws of Quebec, without giving effect to conflict of laws principles. Both parties agree that any action, demand, claim or counterclaim relating to the terms and provisions of this Agreement, or to any claimed breach, shall be commenced in a court of competent jurisdiction in the judicial district of Montreal, Quebec, and both parties expressly acknowledge that personal jurisdiction and venue shall lie exclusively and is properly in Montreal, Quebec. With respect to all disputes, the provisions of the United Nations Convention on Contracts for the International Sale of Goods 1980 (as amended, replaced or codified from time to time) shall not apply.

### **15. Force Majeure**

Force Majeure: Seller shall not be liable for its inability to secure sufficient quantities of any Product or failure to deliver due to causes beyond Seller's reasonable control including, but not limited to, acts of God, natural or artificial disaster, riot, war, strike, delay by carrier, shortage of Product, acts or omissions of other parties, acts or omissions of civil or military authority, Government priorities, changes in law, material shortages, fire, strikes, floods, epidemics, quarantine restrictions, acts of terrorism, delays in transportation or inability to obtain labor, materials or Products through its regular sources, which shall be considered as an event of force majeure excusing Seller from performance and barring remedies for non-performance. In an event of force majeure condition, the Seller's time for performance shall be extended for a period equal to the time lost as a consequence of the force majeure condition without subjecting Seller to any liability or penalty. Seller may, at its option, cancel the remaining performance, without any liability or penalty, by giving notice of such cancellation to Buyer.

### **16. Non-Waiver**

No course of dealing or failure of either party to strictly enforce any term, right or condition of this Agreement shall be construed as a waiver of that term, right or condition nor shall Seller's acceptance of a purchase order be deemed as an acceptance of any terms and conditions therein.

### **17. Entire Agreement**

This Agreement (together with any agreements, policies or terms incorporated by reference) shall constitute the complete, final and exclusive statement of the terms of the Agreement between the parties with respect to the subject matter of this Agreement and the transactions between the parties and shall not be modified or rescinded, except by a writing signed by Seller and Buyer. The provisions of this Agreement supersede all

prior oral and written quotations, communications, agreements, and understandings of the parties with respect to the subject matter of this Agreement. Products furnished and services rendered by Seller are done so only in accordance with these terms and conditions. If any provision of this Agreement is found to be invalid by any court having competent jurisdiction, the invalidity of such provision shall not affect the validity of the remaining provisions of these terms and conditions, which shall remain in full force and effect.

## 18. General

As used herein, terms appearing in the singular shall include the plural and terms appearing in the plural shall include the singular. No rights, duties, agreements or obligations hereunder may be assigned or transferred by Buyer, by operation of law, merger or otherwise, without the prior written consent of Seller. Any attempted or purported assignment shall be void. Seller's obligations under these terms and conditions may be performed by divisions, subsidiaries or affiliates of Seller. The obligations, rights, terms and conditions hereof shall be binding on the parties hereto and their respective successors and assigns. The waiver of any provision hereof or of any breach or default hereunder shall not be deemed a waiver of any other provision hereof or breach or default hereunder. Any provision hereof which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof in that jurisdiction or affecting the validity or enforceability of such provision in any other jurisdiction.

Authorized signing officer (Print Name): \_\_\_\_\_

Title: \_\_\_\_\_

Signature: \_\_\_\_\_

Company name: \_\_\_\_\_

Date: \_\_\_\_\_