

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

1. GENERAL

1.2 These Standard Terms and Conditions of Sale (the “**Terms**”) shall apply to any purchase of products or services identified in the accompanying quotation entered between CO7 Technologies Inc. (“**CO7**”) and the purchaser (the “**Purchaser**”) and any purchase order relating thereto to be sent by purchaser to CO7 and confirmed in writing by CO7 (the quotation and the related purchase order and confirmation of the purchase order by CO7 are hereinafter referred collectively to as the “**Sales Confirmation**”). These Terms and the Sales Confirmation comprise the entire agreement between the parties (collectively, the “**Agreement**”). By sending a purchase order to CO7 following receipt of a quotation, the Purchaser has acknowledged that it has read, understood and accepted the Agreement and its provisions in full. The parties acknowledge that this Agreement must be read in conjunction with the Sales Confirmation.

1.2 To the extent that there is a conflict between these Terms and any document being part of the Sales Confirmation, the following documents shall take precedence over each other: (1) any purchase order shall take precedence over the quotation and (2) the quotation shall take precedence over these Terms. No additional or different terms, conditions or warranties other than those identified in the Sales Confirmation and no agreement or understanding, oral or written, in any way purporting to modify the terms and conditions, contained elsewhere, shall be binding on CO7 unless made in writing, signed by CO7’s authorized representative, and specifically referencing these Terms and stating that it modifies them.

2. PRICES, INVOICING AND TERMS OF PAYMENT

2.1 Purchaser shall pay the prices specified in the Sales Confirmation, without any setoff, deduction, debit or withholding for any reason. All prices are FCA, CO7’s plant, Montreal, Quebec Canada, and do not include any additional delivery charges which might apply in accordance with these terms. All payments under this Agreement shall be made in Canadian currency, unless otherwise agreed in writing between the parties.

2.2 CO7 shall submit invoices for the prices indicated in the Sales Confirmation. All invoices are payable no later than thirty (30) days from the date of the invoice.

2.3 Unless otherwise set out in CO7’s Sales Confirmation, all prices payable by Purchaser are exclusive of any taxes, fees, custom tariffs, and duties or other amounts, however designated, and including without limitation, value added and withholding taxes and any other taxes, surcharges or duties now existing or hereafter imposed by governmental authorities. Any such taxes, surcharges or duties related to products and services, if any, purchased pursuant to this Agreement shall be paid by Purchaser in addition to the prices. Products, services and applicable taxes shall be billed as a separate item on the invoice, to the extent possible. The Purchaser shall be responsible for payment of all such taxes, duties and charges. Any changes in foreign exchange rates, sales taxes, customs tariffs or other taxes shall be chargeable to the Purchaser.

2.4 **Late payments.** If at any time Purchaser is late in the payment of any invoice or is otherwise in breach of this Agreement, CO7 may, at its discretion, and without prejudice to its other rights, withhold products or may, at its option, require Purchaser to pre-pay for further products which were ordered pursuant to a Sales Confirmation. Any sum not paid by Purchaser when due shall bear interest until paid at a rate of 2% per month. Purchaser shall reimburse CO7 for all reasonable costs incurred by CO7 in collecting any late payments or interest, including legal fees, court costs and collection agency fees.

3. DELIVERIES; TITLE TRANSFER; RISK OF LOSS; STORAGE

3.1 Unless otherwise specifically agreed by the parties, CO7 shall deliver the Products FCA, CO7 plant, Montreal, Quebec Canada, (Incoterms 2020). Purchaser shall pay all delivery and shipment costs and charges, duties, taxes and other fees required to import the products. Partial deliveries are permitted upon written approval by both Parties. CO7 may deliver products in advance of the delivery schedule. CO7 reserves the right to deliver products in installments, unless otherwise expressly stipulated in a Sales Confirmation. All products delivered will be packed

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

and prepared for delivery by CO7. If products delivered do not correspond in quantity, type, or price to those itemized in the Sales Confirmation, Purchaser shall so notify CO7 within ten (10) days after receipt.

3.2. Risk of loss or damage shall pass to the Purchaser after CO7 has loaded the products on Purchaser's transport at CO7's plant, Montreal, Quebec Canada. CO7's responsibility ceases when CO7 has loaded the products on the Purchaser's transport. Delivery of products by CO7 will be deemed to be made to the Purchaser upon obtaining a signed receipt from the transport showing receipt of the Products in good order. Title passes only upon full payment of the products by Purchaser.

4. WARRANTY

4.1. CO7 warrants that the products shall be free from defects in material and workmanship and that the services shall be performed in a competent, diligent manner in accordance with any mutually agreed specifications.

4.2. The warranty for products shall be for a period of twelve (12) months from the date of energization or eighteen (18) months from the date of delivery of the products to Purchaser, whichever comes first. This warranty is limited to repair or replacement of the defective product. If a product does not meet the above warranties, Purchaser shall promptly notify CO7 in writing prior to expiration of the warranty period. CO7 shall (i) at its option, repair or replace the defective product. If despite CO7's reasonable efforts, a non-conforming product cannot be repaired or replaced, CO7 shall refund, or credit monies paid by Purchaser for such non-conforming product. Warranty repair, replacement or re-performance by CO7 shall not extend or renew the applicable warranty period.

4.3. Purchaser shall bear the costs of access for CO7's remedial warranty efforts (including removal and replacement of systems, structures, or other parts of Purchaser's facility), de-installation, re-installation and transportation of defective products to CO7 and back to Purchaser.

4.4. The warranties and remedies are conditioned upon (a) proper storage, installation,

use, operation, and maintenance of the products, (b) Purchaser keeping accurate and complete records of operation and maintenance during the warranty period and providing CO7 access to those records, and (c) modification or repair of the products only as authorized by CO7 in writing. Failure to meet any such conditions renders the warranty null and void. CO7 is not responsible for normal wear and tear.

4.5. This Section 4 sets forth the exclusive remedies for all claims based on nonconformity or defect of the products, regardless of when the nonconformity or defect arises and regardless of the legal basis of such claim. This warranty is in lieu of all other warranties, conditions, representations or written or oral, express or implied by law, including the warranty of latent defects.

5. LIMITATION OF LIABILITY

5.1. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL EITHER PARTY, ITS SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES AND AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY INDIRECT, SPECIAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES (INCLUDING, WITHOUT LIMITATION, LOSS OF REVENUE OR PROFITS, LOST OR DAMAGED DATA, LOSS OF USE, LOSS OF PRODUCTION, BUSINESS INTERRUPTION OR ANY OTHER PECUNIARY LOSS), ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR CAUSED BY ANY OF THE SERVICES, EVEN THOUGH SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT TO THE CONTRARY, AND TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE MAXIMUM LIABILITY OF CO7 FOR CLAIMS OR DAMAGES HEREUNDER SHALL BE LIMITED TO THE PRICES ACTUALLY PAID BY THE PURCHASER TO CO7 IN RELATION TO THE SALES CONFIRMATION GIVING RISE TO LIABILITY OF CO7.

6. INSURANCE

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

6.1. CO7 shall maintain reasonable insurance coverage (e.g., commercial general liability, worker's compensation, automobile) in such amounts as CO7 deems appropriate and as is customary for comparable companies. Certificate of insurance evidencing this may be provided upon written request.

7. COMPLIANCE WITH LAWS, CODES AND STANDARDS

7.1. CO7 shall comply with laws applicable to the manufacture of the products and its performance of services. Purchaser shall comply with laws applicable to the application, operation, use and disposal of the products and services.

7.2. Purchaser warrants and represents that it will at all times comply with all applicable laws and regulations, including import-export, trade, economic, or financial restrictions or trade embargoes and any amendments thereto (collectively, the "Laws") imposed by any applicable governmental authority, including, where applicable, Canada, the United States and the European Union. CO7 shall not be liable, and Purchaser agrees to hold harmless and indemnify CO7, for any breach of such Laws. Purchaser agrees that it shall not, except as otherwise permitted under applicable Laws, transship, re-export, or otherwise divert products purchased from CO7. To the extent permitted by law, Purchaser shall, promptly upon becoming aware, provide to CO7 details of any claim, action, suit, proceedings or investigation against it with respect to the Laws brought by any enforcement authority. In the event that CO7 should believe, acting in good faith, that Purchaser has violated, or is under investigation for violating, any Laws, or if Purchaser is identified on any applicable sanctions list, CO7 shall have the immediate right to terminate its relationship and/or any contract with Purchaser without liability.

8. WITNESS OF TESTS & FACTORY INSPECTIONS

8.1. Should Purchaser wish to witness the routine tests made to the products or inspect the CO7 factory, either in person or virtually, it shall do

so by providing written notice to this effect to CO7 at time of quotation, which must be confirmed in any related purchase order. Witness of tests and factory inspections are subject to additional costs. CO7 will notify Purchaser fourteen (14) calendar days prior to scheduled witness testing or factory inspection. In the event Purchaser is unable to attend, the parties may mutually agree on a rescheduled date. However, if CO7 is unable to reschedule a date, it may, at its sole option, consider the witness tests or inspection waived and invoice the products and the witness testing charges. Purchaser will be responsible for paying for all scheduled witness testing, whether or not Purchaser attends. Witnessing of tests or factory inspections by the Purchaser may result in delays of production for which CO7 will not be responsible and which may result in additional charges and delayed scheduling to Purchaser.

9. INTELLECTUAL PROPERTY

9.1. Purchaser acknowledges CO7 is the owner or licensor of all rights, titles and interests in the CO7 products and all intellectual property rights (trademarks, copyright, patents, industrial designs) relating thereto, and that no right or license is conveyed by CO7 to Purchaser in such. Each party shall retain ownership of all intellectual property it had prior to the Agreement. All new intellectual property conceived or created by CO7 in the performance of the Agreement, if any, whether alone or with any contribution from Purchaser, shall be owned exclusively by CO7. Purchaser agrees to deliver assignment documentation as necessary to achieve that result. Purchaser shall never reverse engineer, decompile, or disassemble any products purchased under the terms of this Agreement, nor shall Purchaser develop, manufacture, sell or provide any products competing with any products of CO7 for which drawings have been sent to Purchaser pursuant hereto, which drawings constitute Confidential Information (as defined in Section 10) of CO7.

9.2. CO7 shall defend and indemnify Purchaser against any claim (a "Claim") alleging that products or services furnished under this Agreement infringe any intellectual property right in effect in Canada or the U.S., provided that Purchaser (a) shall have made all payments then due hereunder, (b) promptly notifies CO7 in writing

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

of the Claim, (c) makes no admission of liability and does not take any position adverse to CO7, (d) gives CO7 sole authority to control defense and settlement of the Claim, and (e) provides CO7 with full disclosure and reasonable assistance as required to defend the Claim.

9.3. Section 9.2 shall not apply and CO7 shall have no obligation or liability with respect to any Claim based upon (a) products or services that have been modified, or revised, (b) the combination of any products or services with other products or services when such combination is a basis of the alleged infringement, (c) failure of Purchaser to implement any update provided by CO7 that would have prevented the Claim, (d) unauthorized use of products or services or use of the products or services for purposes other than that for which it was sold by CO7, or (e) products or services made or performed to Purchaser's designs and/or specifications.

9.4. Should the use of any product or service, or any portion thereof, become the subject of a Claim, CO7 may at its option and expense (a) procure for Purchaser the right to continue using the product or service, or applicable portion thereof, (b) modify or replace it in whole or in part to make it non-infringing, or (c) failing (a) or (b), take back infringing products or services and refund the price received by CO7 attributable to the infringing product or service.

9.5. CO7 will not be responsible for any compromise or settlement made without its written consent. The foregoing states the entire liability of CO7 for intellectual property infringement.

9.6. As to any products or services furnished by CO7 to Purchaser and manufactured or provided in accordance with designs and/or specifications proposed by Purchaser, the Purchaser shall defend and indemnify CO7 against any Claim alleging that such products or services infringe any intellectual property right.

10. CONFIDENTIALITY

10.1. All non-public, confidential, or proprietary information of either Party, including, without limitation, any trade secrets, intellectual property, business information, product specifications, samples, patterns, designs, plans, drawings,

documents, data, business operations, product information, know-how, purchaser lists, pricing, discounts, rebates (the "**Confidential Information**"), that is disclosed by or on behalf of either Party (the "**Disclosing Party**") to the other Party, whether disclosed orally or disclosed or accessed in written, electronic or other form or media, and regardless of whether marked, designated, or otherwise identified as "confidential," in connection with the Agreement is strictly confidential, is provided solely for the purpose of the sale of the products and services, and may not be disclosed to any person, corporate division or entity, or copied, unless authorized in advance by the Disclosing Party in writing. Notwithstanding the preceding, a Party may disclose without prior written approval of the Disclosing Party, Confidential Information to its employees and agents who need to know the information for the purposes hereof solely if they are aware of the confidential nature of the Confidential Information and they are bound by confidentiality obligations that are substantially similar to those contained in this Agreement. Upon Disclosing Party's request, the other Party will promptly return all documents and other materials received from the Disclosing Party. This Section does not apply to information that is: (a) in the public domain, through no fault of the receiving Party, at or subsequent to the time such Confidential Information was disclosed to a Party by the Disclosing Party; (b) rightfully known by the receiving Party free of any obligation of confidence at the time of disclosure by the Disclosing Party, as evidenced by written records; or (c) rightfully obtained by the receiving Party from a third party without confidentiality obligations towards the Disclosing Party, each as evidenced by written records.

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

11. TERMINATION

11.1. Purchaser may cancel any portion, or the total quantity of any purchase order placed under this Agreement upon giving CO7 a written notice to this effect in the timeframes provided below, provided Purchaser reimburse CO7 for all costs and expenses associated with the termination of such purchase order, including the following termination charges shown below:

Occurrence of the cancellation	Termination Charge (% of price)
If cancellation occurs within 2 weeks after CO7 has confirmed a purchase order	0%
If cancellation occurs within 2 weeks after Purchaser has approved in writing the product drawings	30%
If cancellation occurs after materials have been purchased by CO7 and/or production has begun	90%

Products which have been picked-up by transport of Purchaser are not cancelable.

11.2. In addition to any other remedies that CO7 may have, CO7 may terminate the Agreement with immediate effect upon written notice to Purchaser, if Purchaser: (i) fails to pay any amount when due under the Agreement and the failure continues for five (5) days after Purchaser's receipt of written notice of nonpayment; (ii) has not otherwise performed or complied with any of the terms of the Agreement, in whole or in part; or (iii) becomes insolvent, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, reorganization or assignment for the benefit of creditors. In addition, CO7 may terminate the Agreement without cause on ninety (90) days prior written notice to Purchaser. CO7 shall have the right to cancel any purchase order at any time by written notice for any material breach of these Terms by the

Purchaser, including material delays by Purchaser or its authorized representatives in releasing Products for manufacture or approval drawings and excessive changes to specifications or drawings, provided that: (a) CO7 shall first provide Purchaser with detailed written notice of the breach and of CO7's intention to terminate the Contract, and (b) Purchaser shall have failed, within 30 days after receipt of the notice, to cure of the breach.

11.3. No Products may be returned without prior written approval of CO7. Products which have been delivered may not be canceled except with CO7's written consent. Special or custom ordered products for which a purchase order has been accepted by CO7 are not cancelable after final acceptance or following approval of drawings for the commencement of manufacturing.

12. FORCE MAJEURE

12.1. CO7 will be excused from and not be liable for any non-performance of this Agreement if such delay or non-performance is due to any cause beyond the reasonable control of CO7, or which CO7 could not reasonably foresee or reasonably provide against, and which prevents CO7 from carrying out the terms of this Agreement. This includes, but is not limited to, the following: war (declared or undeclared), armed conflict (or serious threat of same), revolution, terrorism, insurrection or hostilities (whether declared or not), civil disturbances, riot, economic upheaval, civil commotion or uprising, fire, flood, earthquake, tempest, hurricane, lightning or other natural disasters, explosion, orders or actions of government authority, plagues, epidemics, pandemics, quarantines, or other public health risks and/or responses thereto, strikes, lockouts, differences with workers, accidents, labor disputes or other industrial disturbance whether at CO7 or one of its suppliers, sabotage, accident, embargo, transportation shortages, wrecks or delays in transportation, non-delivery of materials, the unavailability or shortage(s) of labor, energy, materials, production facilities, transportation, or shipping, cyber-attacks, failures or interruptions to network systems, or any other cause, casualty, or excusable delay beyond CO7's reasonable control, whether similar or dissimilar to any of the foregoing. Upon the occurrence of a force majeure or other excusable delay, CO7's performance or

DV-01E STANDARD GENERAL TERMS AND CONDITIONS OF SALE

delivery date shall be extended for a period equal to the duration of the force majeure event or time lost by reason of delay, plus such additional time as may be reasonably necessary to overcome the effect of the delay. CO7 shall use reasonable efforts to mitigate the effects of a force majeure event.

13. MISCELLANEOUS

13.1. **Notice.** Any notice required under the Agreement shall be provided to the other party in writing and may be either personally delivered or transmitted by email during normal business hours with acknowledgement of receipt by the reader, by recognized courier service with next day delivery or by registered mail, return receipt requested. Any such notice or other communication transmitted by email shall be conclusively deemed to have been received on the next business day following the day of transmission, or if delivered by hand shall be conclusively deemed to have been received on the date of actual delivery to the address indicated.

13.2. **Relationship between the parties.** CO7 is an independent contractor and both parties agree that no partnership, joint venture or agency relationship exists between the parties.

13.3. **Assignment.** CO7 may, without Purchaser's consent, assign, transfer or subcontract the Agreement in whole or in part at any time. Purchaser may not assign the Agreement.

13.4. **Entire Agreement and modifications.** The Agreement constitutes the entire agreement between the parties. No oral or written representation or warranty not contained in the Agreement shall be binding on either party. No modification, amendment, rescission or waiver to the Agreement shall be binding on either party unless agreed in writing by both parties.

13.5. **Severability.** If any term, condition, covenant or provision of the Agreement is found to be void or unenforceable, the remainder of the Agreement shall not be affected. The parties will endeavor to replace any such void or unenforceable provision with a new provision that achieves substantially the same practical and economic effect and is valid and enforceable.

13.6. **Applicable Law. Jurisdiction.** The Agreement shall be construed, interpreted and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Quebec and the federal laws of Canada applicable therein. The courts having jurisdiction in the judicial district of Montréal, province of Quebec, shall have exclusive jurisdiction in case of litigation of any nature, dispute regarding the validity, execution or enforceability, or difficulty in interpreting the present Terms, and more generally, regarding the commercial relations existing between CO7 and the Purchaser.