

All r2p Canada's sale and supply of Goods and Services to a Customer shall incorporate the following standard terms and conditions within the usual course of its business.

## 1. Definitions

- 1.1. **"Conditions"** means the terms and conditions set out in this document as amended from time to time in accordance with clause 17.2.
- 1.2. **"Contract"** means the Contract between r2p Canada and the Customer for the sale and purchase of Goods and/or Services in accordance with these Conditions.
- 1.3. **"Customer"** means any business or commercial entity, wherever located, that purchases Goods and/or Services from r2p Canada, including without limitation customers based in Canada, the United States of America ("USA"), or any other country.
- 1.4. **"Customer Specification"** means any documented requirements for the Goods and Services as stipulated and supplied by the Customer to r2p Canada prior to the Quotation.
- 1.5. **"Delivery Date"** means the date specified in the Order, but no earlier than the relevant lead times from the date of Order as confirmed in a valid Quotation.
- 1.6. **"Force Majeure"** has the meaning given to that term in Clause 15.1.
- 1.7. **"Goods"** means the goods (or any part of them) set out in the Order, subject to the Quotation.
- 1.8. **"Order"** means the Customer's order for the supply of Goods and Services as set out in the Customer's purchase order and based on the Quotation.
- 1.9. **"Parties"** shall mean both the Customer and the supplier.
- 1.10. **"Quotation"** means a valid quotation issued by r2p Canada to the Customer, including any additional terms applied by R2p Canada and, if applicable and referred to in the quotation, based on the Customer Specification.
- 1.11. **"r2p Canada"** means the supplier, r2p Canada Americas Inc, whose registered address is 2900 Langstaff Road · Units 18 & 19 · Vaughan, Ontario L4K 4R7 · Canada
- 1.12. **"Services"** means the services supplied by r2p Canada to the Customer as set out in the Order, subject to the Quotation.

## 2. Basis of Contract

- 2.1. These Conditions and any additional terms in the Quotation shall apply to the Contract to the exclusion of any other terms that the Customer seeks to impose or incorporate, or which are implied by trade, custom, practice or course of dealing. Where there is a conflict between the terms within these Conditions and the Quotation, the Quotation shall take precedence.
- 2.2. The Order constitutes an offer by the Customer to purchase Goods and/or Services from r2p Canada in accordance with these Conditions. The Customer is responsible for ensuring that the terms of the Order

submitted by the Customer are complete and accurate.

- 2.3. The Order shall be based on a valid Quotation from r2p Canada for the Goods and/or Services, where such Quotation shall only be valid for 30 days from the date of Quotation, unless explicitly stated otherwise in the Quotation.
- 2.4. The Order shall only be deemed to be accepted when r2p Canada issues written acceptance of the Order incorporating these Conditions at which point, and on which date the Contract shall come into existence.
- 2.5. r2p Canada shall not provide a performance bond, performance guarantee or any similar collateral financial contract guaranteeing r2p Canada's performance of any Services and/or delivery of any Goods under the Contract.

## 3. Delivery of Goods

- 3.1. r2p Canada shall deliver the Goods:
  - 3.1.1. in accordance with DDP (Incoterms 2020); and
  - 3.1.2. set out in the Order or such other location as the parties may agree at any time after r2p Canada notifies the Customer that the Goods are ready.
- 3.2. r2p Canada shall use its reasonable endeavours to deliver the Goods and/or supply the Services on the Delivery Dates, but any such date is approximate only and based on lead times from the date of receipt of the Order, or, if applicable, design approval.
- 3.3. r2p Canada shall apply hardware delivery charges in addition and separate to any hardware prices in the Quotation
- 3.4. r2p Canada may levy additional charges for any deliveries made or Services supplied outside normal business hours at the Customer's request, or if re-delivery is required in the event that the Customer does not accept delivery.
- 3.5. r2p Canada shall:
  - 3.5.1. be responsible for any damage or shortage in the provision of Services or for any damage, shortage or loss in transit of Goods, provided that the Customer notifies it to the Supplier within 3 days of delivery of the Goods or provision of the Services and that the Goods and/or Services have been handled or used in accordance with the Supplier's stipulations; and
  - 3.5.2. have the option of testing or inspecting the Goods and/or Services at their current location or moving the Goods to r2p Canada's premises at r2p Canada's cost.
- 3.6. If the Customer's claim is subsequently found by r2p Canada to be outside the scope or duration of the warranty under Clause 4.1, the costs of transportation of the Goods, investigation and repair shall be borne by the Customer.

## 4. Quality of Goods

- 4.1. r2p Canada warrants that on delivery and for a period of 12 months from the date of delivery ("Warranty

Period"), unless otherwise agreed in writing by r2p Canada, the Goods shall:

- 4.1.1. conform in all material respects with their description as specified in the Order;
- 4.1.2. be free from material defects in design, material and workmanship; and
- 4.1.3. be of satisfactory quality and for the purpose as specified in the Order.

4.2. Subject to Clause 4.3, r2p Canada shall, at its option, repair or replace the defective Goods, or refund the price of the defective Goods in full if:

- 4.2.1. the Customer gives notice in writing during the Warranty Period within a reasonable time frame that some or all of the Goods do not comply with the warranty set out in Clause 4.1;
- 4.2.2. not used;
- 4.2.3. r2p Canada shall repair or replace the Goods solely in accordance with its assessment; and
- 4.2.4. r2p Canada's warranty under this Clause 4 shall be limited to parts and labour only.

4.3. r2p Canada shall not be liable for the Goods' failure to comply with the warranty in Clause 4.1 if:

- 4.3.1. the Customer makes any further use of such Goods after giving a notice in accordance with Clause 4.2.1;
- 4.3.2. the defect arises because the Customer failed to follow r2p Canada's written instructions as to the storage, installation, commissioning, use or maintenance of the Goods using good industry practice;
- 4.3.3. the defect arises as a result of r2p Canada following any drawing, design or Customer Specification supplied by the Customer;
- 4.3.4. the Customer alters or repairs such Goods without the written consent of r2p Canada; and
- 4.3.5. the Goods are vandalised, interfered with or damaged whilst in the Customer's care.

4.4. Where the conditions of Clause 4.3 apply, r2p Canada reserves the right to apply a charge for the repair and/or return of the Goods.

**5. Supply of Services**

- 5.1. r2p Canada shall supply the Services to the Customer as described by r2p Canada in the Quotation and, if applicable and referred to in the Quotation, in accordance with the Customer Specification in all material respects.
- 5.2. r2p Canada shall use all reasonable endeavours to meet any performance dates for the Services as specified in the Order.
- 5.3. r2p Canada warrants to the Customer that the Services will be provided with reasonable care and skill and comply with all applicable health and safety laws.

**6. Customer's Obligations**

- 6.1. The Customer shall:

- 6.1.1. ensure that the terms of the Order and any information are complete and accurate;
- 6.1.2. co-operate with r2p Canada in all matters relating to the Goods and Services;
- 6.1.3. provide r2p Canada, its employees, agents, consultants and subcontractors, with access to the Customer's premises, office accommodation and other facilities as requested by r2p Canada to provide the Services subject to the Customer's access and security requirements;
- 6.1.4. provide r2p Canada with such information and materials as r2p Canada may reasonably require in order to supply the Services, and ensure that such information is complete and accurate in all material respects;
- 6.1.5. prepare the Customer's premises for the supply of the Goods and Services;
- 6.1.6. obtain and maintain all necessary licences, permissions and consents which may be required for the Services before the date on which the Services are to start;
- 6.1.7. comply with r2p Canada software licencing conditions including rights for r2p Canada to audit correct use of software licences as agreed by the Customer; and
- 6.1.8. comply with all applicable laws, including health and safety laws.
- 6.2. The Customer shall not cause delay, prevent or request suspension of the delivery of the Goods or Services without r2p Canada's written agreement.
- 6.3. If r2p Canada's performance of any of its obligations under the Contract is prevented or delayed by any act or omission by the Customer or failure by the Customer to perform any relevant obligation (Customer Default):
  - 6.3.1. without limiting or affecting any other right or remedy available to it, r2p Canada shall have the right to suspend performance of the Goods and Services until the Customer remedies the Customer Default, and to rely on the Customer Default to relieve it from the performance of any of its obligations in each case to the extent the Customer Default prevents or delays r2p Canada's performance of any of its obligations;
  - 6.3.2. r2p Canada shall not be liable for any costs or losses sustained or incurred by the Customer arising directly or indirectly from r2p Canada's failure or delay to perform any of its obligations to supply Goods and Services as set out in this Clause 6.3; and
  - 6.3.3. the Customer shall reimburse r2p Canada on written demand for any costs or losses sustained or incurred by r2p Canada arising directly or indirectly from the Customer Default.

## 7. Price & Payment

- 7.1. The price for Goods shall be the price set out in the Order.
- 7.2. Not Used.
- 7.3. r2p Canada shall invoice the Customer once the Goods and Services are delivered or in the event the Customer does not accept delivery (or the delivery location is not ready or accessible for delivery) on or after the Delivery Date, the date that R2p Canada attempted to deliver the Goods, unless agreed otherwise in writing.
- 7.4. The Customer shall pay for the invoice within 45 (forty-five) calendar days of the date of the invoice, in full and in cleared funds to a bank account nominated in writing by R2p Canada, and time for payment shall be of the essence of the Contract.
- 7.5. Not used.
- 7.6. r2p Canada may charge interest for a delayed payment, at the rate of 4% above the Bank of Canada's base rate and will accrue on a daily basis from the due date until date of payment.
- 7.7. A delayed payment is deemed a material breach, r2p Canada may terminate the Contract with immediate effect or suspend the supply of Services or all further deliveries of Goods under the Contract or any other contract between the Customer and r2p Canada if the Customer fails to pay any late payment within 15 (fifteen) days of r2p Canada's written demand for that amount due under the Contract on the due date for payment.
- 7.8. All losses, expenses, interest and costs including, but not limited to, legal fees subsequent to the Customer's failure to pay, shall be recoverable from the Customer by the r2p Canada as damages.

## 8. Title and Risk

- 8.1. Title to the Goods shall remain with r2p Canada until it has received full payment in addition to any interest charges for any late payments from the invoice submitted to the Customer. If it is agreed in writing that payment will be made by instalments, title to the Goods shall not pass to the Customer until all the instalments have been paid.
- 8.2. The risk in the Goods shall pass to the Customer on completion of delivery.

## 9. Intellectual Property Rights

- 9.1. All Intellectual Property Rights in or arising out of or in connection with the Goods and Services (other than Intellectual Property Rights in any materials provided by the Customer) shall be owned by r2p Canada.
- 9.2. r2p Canada grants, a fully paid-up, worldwide, non-exclusive, royalty-free licence of their intellectual property to the Customer to use for the intended purpose, but not to modify or reverse engineer.

## 10. Indemnification

- 10.1. r2p Canada shall indemnify the Customer up to the maximum value of the Contract for any third party claims arising out of r2p Canada's breach of the Contract or any claim that the Intellectual Property Rights of a third party have been infringed by r2p Canada in the performance of its obligations under the Contract.

## 11. Confidentiality

- 11.1. Each party undertakes that it shall not at any time during the Contract, and for a period of five years after termination of the Contract, disclose to any person any confidential information concerning the business, affairs, customers, clients or suppliers of the other party, except as permitted by Clause 11.2.
- 11.2. Each party may disclose the other party's confidential information:
  - 11.2.1. to its authorised employees who need to know such information for the purposes of carrying out the party's obligations under the Contract. Each party shall ensure its authorised employees to whom it discloses the other party's confidential information comply with this Clause 11.2; and
  - 11.2.2. Neither party shall use the other party's confidential information for any purpose other than to perform its obligations under the Contract.

## 12. Limitation of Liability

- 12.1. Nothing in these Conditions limits any liability which cannot legally be limited, including (but not limited to) liability for:
  - 12.1.1. death or personal injury caused by negligence;
  - 12.1.2. fraud or fraudulent misrepresentation; and
- 12.2. Subject to Clause 12.1, r2p Canada's total liability to the Customer shall not exceed the maximum price of the Contract.
- 12.3. Subject to Clause 12.1, r2p Canada shall not be liable to the Customer for any loss of profits, loss of sales or business, operational penalties, loss of agreements or contracts, loss of anticipated savings, loss of use or corruption of software, data or information, loss of or damage to goodwill and indirect or consequential loss.
- 12.4. r2p Canada has given commitments as to compliance of the Goods and Services with relevant specifications in Clause 4 and Clause 5. In view of these commitments, the terms implied by any statute are, to the fullest extent permitted by law, excluded from the Contract.

## 13. Termination

- 13.1. Without affecting any other right or remedy available to it, either party may terminate the Contract with immediate effect by giving written notice to the other party if:
  - 13.1.1. the other party commits a material breach of its obligations under the Contract and does not promptly cure that breach following written notice

from the non-breaching party, if the breach is capable of being cured;

13.1.2. the other party takes any step or action in connection with its entering administration, provisional liquidation or any composition or arrangement with its creditors (other than in relation to a solvent restructuring), being wound up (whether voluntarily or by order of the court, unless for the purpose of a solvent restructuring), having a receiver appointed to any of its assets or ceasing to carry on business; or

13.1.3. the other party suspends, or threatens to suspend, or ceases or threatens to cease to carry on all or a substantial part of its business.

**14. Consequences of Termination**

14.1. On termination of the Contract, the Customer shall immediately pay to r2p Canada:

14.1.1. all of r2p Canada's outstanding unpaid invoices and interest and all work performed up to the date of termination and the cost of terminating any commitments to suppliers and subcontractors; and

14.1.2. in respect of Services and Goods supplied but for which no invoice has been submitted, r2p Canada shall submit an invoice for the Goods and Services, which shall be payable by the Customer immediately on receipt.

**15. Force Majeure**

15.1. The Parties may defer the date of delivery or payment or reduce the amount of Goods ordered, if they are prevented from or delayed in carrying on with their business by acts, events, omissions or accidents beyond their reasonable control which includes without limitation strikes, lock-outs, acts of God, expropriation or confiscation of facilities, any form of Government intervention, war, hostilities, rebellion, terrorist activities, local or national emergency, sabotage or riots, and floods, fires, explosions, pandemics or other catastrophes.

15.2. Neither party shall be held responsible for failure to carry out its duties, if it is directly impacted by a Force Majeure event if the affected party has:

15.2.1. taken all reasonable steps to prevent and avoid the Force Majeure event; and

15.2.2. taken all reasonable steps to overcome and mitigate the effects of the Force Majeure event as soon as reasonably practicable.

15.3. On becoming aware of the Force Majeure event promptly informing the other unaffected party in writing that a Force Majeure event has happened, giving details of the event together with a reasonable estimate of the period during which the event shall continue.

**16. Notices**

16.1. Any notice given to a party under or in connection with the Contract shall be in writing and shall be communicated via email to the representative of the party named in the Quotation or Order.

16.2. Notice will be deemed effective on the business day following the day the e-mail was transmitted.

**17. Variation**

17.1. The Customer may not vary or cancel all or part of the Contract, Purchase Order, Delivery Dates or place additional requirements following Purchase Order confirmation issued by r2p Canada to the Customer, without written agreement from r2p Canada. R2p Canada reserves the right to impose additional fees and modify the Delivery Date resulting from any agreed variations.

17.2. r2p Canada may amend the standard terms and conditions from time to time, if the Customer has agreed to the proposed changes.

**18. Severance**

18.1. If any provision of these Conditions or the Contract (or part of any provision) is found by any court or other authority or competent jurisdiction to be invalid, illegal or unenforceable, that provision or part-provision shall, to the extent required, be deemed not to be part of the Conditions and/or Contract and the validity and enforceability of the other provisions of the Conditions and/or Contract shall not be affected.

**19. Entire Agreement**

19.1. These Conditions constitute the whole agreement between the Parties and supersedes all previous agreement between the parties relating to its subject matter.

**20. Third Parties**

20.1. A person who is not a party to the Contract shall not have any rights under the Contract.

**21. Waiver**

21.1. A waiver of any right under the Contract is only effective if it is in writing and shall not be deemed to be a waiver of any subsequent breach or default. No failure or delay by a party in exercising any right or remedy under the Contract or by law shall constitute a waiver of that or any other right or remedy, nor preclude or restrict its further exercise. No single or partial exercise of such right or remedy shall preclude or restrict the further exercise of that or any other right or remedy.

21.2. Unless specifically provided otherwise, rights arising under the Contract are cumulative and do not exclude rights provided by law.

**22. Governing Law and Jurisdiction**

22.1. The Contract and any dispute or claim any claim arising out of or in connection with its subject matter, shall be governed by and enforced in accordance

with the laws of the Province of Ontario and the laws of Canada.

22.2. The Parties agree that the courts of Ontario shall have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with the Contract if the dispute has not been submitted to arbitration under Clause 23.2.

**23. Dispute Resolution**

23.1. In the event of a dispute between the Parties, the senior management of both Parties shall meet within 15 calendar days of one being notified by the other that a dispute exists and shall, in good faith, attempt to negotiate a resolution to the dispute.

23.2. If the Parties are unable to resolve the dispute as outlined in Clause 23.1, the Parties may agree to submit the dispute to arbitration in Toronto, Ontario under Ontario's Arbitration Act 1991. The language of the arbitral proceedings shall be in English.

23.3. Nothing in this section shall prevent the Parties from seeking any injunctive or equitable relief by a court or a competent jurisdiction.