

General Terms of Delivery and Payment of KSI Technologies Canada Corp. ("KSI" or "our")

§ 1 General provisions – scope

- 1.1 These terms are the exclusive basis for all of our deliveries, services and quotes. These terms also apply to all present and future business relationships, even if they are not expressly acknowledged by the Customer.
- 1.2 In these General Terms of Delivery and Payment ("GTD"),
- (a) "Customer", individually and "Customers" collectively means natural persons or legal entities, with whom a business relationship is established with KSI according to the GTD;
- (b) "Product" means the products (including any related services) the Customer orders and KSI agrees to sell and to provide.
- (c) "KSI's Confidential Information", means information that KSI has either marked as confidential or that would be understood to be confidential and or proprietary by the nature of the circumstances surrounding the disclosure
- 1.3 These GTD shall be the exclusive basis for all sales of Products by KSI Technologies Canada Corp. and its affiliates, unless the latter, hereinafter referred to as "KSI affiliates", invoke their own general terms of delivery and payment. Any terms from the Customer which contradict the GTD, shall apply only if these terms have been expressly accepted by KSI in writing prior to the signing of the relevant contract. KSI is not obligated to object to or to reject contract forms or general terms and conditions of Customers even if such general terms and conditions state that their application is an explicit condition for the conclusion of the relevant transactions. KSI intends to contract exclusively on the basis of these GTD. These GTD shall apply to both the present transaction as well as to all future business transactions with the relevant Customer.

§ 2 Offer, conclusion of the contract and quotation documents

- 2.1 Our offers are non-binding and subject to change. Technical changes and changes in terms of shape or colour and/or weight within reasonable limits may be made by KSI in its sole discretion.
- 2.2 By placing the order with KSI, the Customer is obligated to purchase the ordered Products if the order is accepted by KSI. KSI is entitled to accept the Customer's offer to conclude a contract regarding the order within four weeks from receipt. The order will only be binding upon KSI when KSI has accepted the Customer's order. KSI's acceptance can be declared either in writing or (implicitly) by delivery of the Product to the Customer.
- 2.3 Receipt by KSI of orders transmitted electronically will be confirmed immediately. The confirmation of receipt shall not represent KSI's binding acceptance of the order by itself. However, this confirmation of receipt can be combined with an acceptance declaration by KSI.
- 2.4 KSI is not responsible for any delays that affect its suppliers and therefore KSI's ability to deliver the Products. The Customer shall be informed without delay of the non-availability of the Product and the related impossibility to perform the order. If this occurs, then the consideration paid by the Customer to KSI shall be returned immediately.
- 2.5 If the Customer orders the Products via electronic channels, the contract text will be stored by us and be sent, including these GTD, by email to the Customer on request.
- 2.6 Verbal information, side agreements and assurances shall be invalid, unless they are expressly accepted in writing by KSI before the conclusion of the contract or in the order confirmation. Customers will pay KSI according to its written direction and not to any employees of KSI, except for employees with written authority to collect payment.
- 2.7 KSI reserves all intellectual property rights, including copyrights on illustrations, drawings, price lists, calculations and other documents relating to the Products. These documents may only be disclosed to third parties by the Customer with our prior explicit written agreement.
- 2.8 Under the GTD, the Customer may receive access to some of KSI's Confidential Information. The Customer will not disclose any of KSI's Confidential Information without receiving KSI's express written permission or use any of KSI's Confidential Information except for purpose that such information was provided by KSI to the Customer.
- 2.9 The Customer warrants that no proprietary rights of third parties have been violated by the production, insofar as KSI has delivered Products according to drawings, models or other documents provided by the Customer. If third parties bring claims against KSI by invoking existing rights, KSI shall be entitled without any penalty and without being obligated to review the merit of these claims – to discontinue any further activity relating to such Products.

- 2.10 The Customer indemnifies KSI from all related claims of third parties in the definition of Sec. 2.9 of the GTD without delay. Besides the third party's claim, the indemnification shall also cover KSI's cost for the defence against such a claim.

§ 3 Prices and terms of payment

- 3.1 The prices are understood to be net prices, plus any applicable taxes and duties.
- 3.2 KSI reserves the right to adjust our prices accordingly if cost reductions or increases occur in a substantial amount (> 5% of the calculated cost item) after the signing of the contract, in particular due to wage agreements or purchase price and increases in the price(s) of material(s). KSI shall prove these costs to the Customer on request by means of suitable documents.
- 3.3 The purchase price will be due without setoff or deduction within 10 days after receipt of the Products by the Customer, unless a different payment date has been agreed in writing with KSI. If the Customer has not paid the price in full within the appropriate time period, the Customer will be in default without further warning or notice from KSI.
- 3.4 In the event of default, the default interest shall be 10%. This default interest shall not limit KSI's right to claim a higher rate of interest.
- 3.5 Payment will be deemed made on time
- a) if it was remitted on or prior to the date according to section 3.3 of the GTD;
- b) if it was remitted in the form required by KSI, including cash, cheque, letter of credit, wire transfer, or other form of electronic transfer; and as soon as KSI can deposit the amounts in case of cash payment or payments by bills of exchange or cheque.
- 3.6 If the Customer is in default of payment, or if its bills of exchange are insufficient or if it becomes insolvent or subject to proceedings under applicable bankruptcy legislation or ceases to carry on business, any amounts which that Customer owes to KSI or which the Customer will owe at a later date shall also become due immediately. KSI may cease all deliveries of Products and performance of service until all such amounts including any applicable interest, have been paid in full and KSI will have the right to pursue all its remedies.
- 3.7 In the event of a deterioration of the Customer's credit rating occurring after the confirmation and in the event of a default of payment of the Customer for other deliveries, KSI shall have the right to demand advance payments or the provision of appropriate collateral.
- ## § 4 Reservation of title
- 4.1 Delivered Products shall remain the property of KSI until the complete payment of all claims, regardless of their legal reason and regardless if they relate to the present or prior transactions.
- 4.2 While KSI reserves title to Products resale of such Products by the Customer to a third party shall be permissible only as part of the ordinary course of business and with continuation of the reservation of title. Any other disposition, in particular processing, pledging or transfer by way of security is prohibited. The Customer shall explicitly inform its relevant third party of this. If an inseparable combination of Products (for example, the fixed installation of the Product) with the property of the Customer or of a third party occurs before the complete payment, or if the Products subject to the reservation of title should nonetheless be finished or processed, this shall not extinguish KSI's reservation of title. It shall be agreed in this case that KSI becomes a co-owner according to the economic value of the contributions originating from KSI and the Customer or third party, up until the complete payment of the purchase price. The Customer is obligated to ensure that the Products subject to the reservation of title are in a fully resalable condition and appropriately insured for the duration of the continued reservation of title.
- 4.3 If the Products subject to the reservation of title are attached or exposed to third parties taking control over them in any other way, the Customer will inform the third party of KSI's property rights unless title in the Products has already transferred to the Customer, and will immediately inform KSI in writing so that KSI can enforce its property rights. The buyer shall be liable to KSI for the costs KSI incurs in enforcing its rights if the third party is not required to pay KSI's costs for enforcing these rights.
- 4.4 KSI undertakes to release the securities in its entitlement on request by the Customer to the extent that they exceed the realisable value of the open claims against the Customer by 10%.

§ 5 Right of withdrawal

- 5.1 KSI shall be released from its performance obligation and can withdraw from the contract if a supplier fails to deliver or makes merely an insufficient delivery for reasons beyond the control of KSI and if KSI provides details of this related transaction with its supplier to the Customer on request.
- 5.2 The same applies if, for reasons beyond the control of KSI or its agents, the delivery becomes impossible for KSI or if it is excessively complicated due to force majeure, war, strike, lockout, political unrest, public health crisis, pandemic, transport obstructions, measures by authorities, business disruptions, fire damages or similar.
- 5.3 KSI shall also have a right of withdrawal from the contract if, after the signing of the contract, a substantial deterioration of the Customer's credit rating becomes known, which has the potential of putting KSI's claim for payment at risk or if the Customer has made untruthful or misleading statements or inadequate disclosure as to its credit rating. The same applies if the Customer materially breaches its duties of care regarding the Products which are delivered and subject to the reservation of title.

§ 6 Delivery period, delay and performance not in accordance with the contract

- 6.1 The delivery date stated and confirmed by KSI is only an estimate and not a guarantee. The delivery will be deemed performed correctly and on time if it is made at the latest two weeks after the confirmed date.
- 6.2 In case of deliveries that are delayed for reasons of Sec. 5 (5.1) and (5.2), the delivery period shall be extended without penalty to KSI.
- 6.3 In the event of default caused by KSI, or in the event of KSI's failure to provide Products in accordance with the contract, KSI's liability to the Customer shall be limited to price paid by the Customer to KSI.
- 6.4 In the event of default by KSI in delivery in the Product, KSI's liability shall be limited for each week of delay to a lump-sum delay compensation payment in the amount of 1% of the value of the corresponding Product, up to a total limit of 5% of such value.
- 6.5 The Customer is required to prove its loss for any claim for damages the Customer brings against KSI. If KSI provides proof that the Customer's damages are less than the amount claimed, the lump-sum damage compensation pursuant to Sec. 6.4 shall be reduced accordingly.
- 6.6 If the Customer delays its acceptance or fails to fulfil other duties to cooperate, KSI shall be entitled to receive compensation from the Customer for any incurred damage including any additional costs.

§ 7 Transfer of risk

- 7.1 In the case of a sale by delivery, the risk of accidental loss and accidental deterioration of the Products shall transfer to the Customer on delivery of the Product to the freight forwarder, the carrier or other person or entity assigned with the performance of the shipment or transport of the Products.
- 7.2 This transfer of risk shall occur at the agreed time of delivery of the Products even if the Customer delays its acceptance of the Products. In that case, the risk of accidental loss or accidental deterioration of the Products shall also transfer to the Customer at the point in time when the delivery of the Product was intended or scheduled to occur. Any and all costs associated with accidental loss or accidental deterioration will be borne by the Customer.
- 7.3 If the shipment is delayed on request by or for reasons within the Customer's control, the risk shall be deemed transferred to the Customer upon the Customer's receipt of the notification of the readiness for shipment from KSI.

§ 8 Warranty and warranty period

KSI shall provide this warranty for Products sold to the Customer. Subject to the other terms of this warranty, if a defect in the Products occurs within 12 months of delivery of the Products to the Customer, then KSI shall either replace or repair the Product as it determines and such repair or replacement, as the case may be, shall be the Customer's sole remedy for such defect. This warranty is in lieu of all other warranties, express or implied, including warranties of merchantability and of fitness for a particular purpose. KSI expressly disclaims any other warranties, including any warranty of merchantability or fitness for a particular purpose.

- 8.1 Any warranty claim must be in writing and sent to KSI within or immediately after the twelve-month warranty period. The Customer shall have the full burden of proof for all conditions for the claim being given, in particular the defect itself, the time of the discovery of the defect, and the timeliness of the notification of defects.
- 8.2 Only the Product description provided by KSI will be used to determine the properties and condition of the Product. Public statements, promotions or advertising by the manufacturer do not constitute any additional statement of properties and condition of the Products.
- 8.3 If the Customer receives defective assembly instructions, KSI shall only be liable for the delivery of fault-free assembly instructions.
- 8.4 The Customer shall not have any claim under this warranty or otherwise against KSI: (a) if the operating or maintenance instructions of KSI are not followed; (b) if the Products are used or modified in ways that were not intended or approved by KSI; (c) if spare parts, exchange parts, or alternative parts that do not comply with KSI's original specifications were installed or replaced; (d) if consumable materials are used that do not conform to the original specifications; (e) or regarding: normal wear of service parts; damage to Product in transit; improper installation; or deterioration due to normal wear, corrosion, abuse, damage, accident, improper storage or operation.

§ 9 Liability limitations

- 9.1 KSI's liability shall be limited to the price for the Product paid by the Customer and received by KSI except for claims regarding personal injury or death directly attributable to KSI's negligence or willful misconduct. KSI will not be liable for any claims of personal injury or death arising from any act or omission, negligence, or willful misconduct of Customer or any others. In no event shall KSI be liable to Customer for lost or anticipated profits or for special, incidental, consequential, exemplary, or punitive damages.

§ 10 Remedies

- 10.1 All remedies provided the GTD are distinct and cumulative to any other right or remedy provided to KSI by the GTD or by law or by equity, and may be exercised concurrently, independently, or successively.
- 10.2 Any forbearance by KSI in exercising any right or remedy provided by the GTD or by law or equity shall not be a waiver of or preclude the exercise of any such right or remedy.
- 10.3 In no case shall KSI's exercise of any rights provided by the GTD, or KSI's failure to exercise such rights, relieve Customer from any of its own obligations under the GTD.

§ 11 Governing law and jurisdiction

- 11.1 All disputes shall be heard before the courts in the City of Toronto and any court competent to hear an appeal therefrom except that KSI reserves the right to sue the Customer in its jurisdiction if that is not the Province of Ontario.
- 11.2 Unless agreed otherwise, the Customer and KSI agree that the GTD shall be governed by the laws of the Province of Ontario with the federal laws of Canada which apply in that province, excluding conflict of laws. The UN Convention on Contracts for the International Sale of Goods shall not apply to any sale of Products by KSI to the Customer.

§ 12 Data protection and final provisions

- 12.1 Personal data, which arise in connection with the contractual relationship, will be stored for the purpose of data processing in observation of the GDPR. The Customer and KSI will comply with all applicable Ontario and Canadian privacy legislation, including but not limited to the Personal Information Protection and Electronic Documents Act.
- 12.2 Changes or amendments of contracts concluded with KSI require the written form for validity. This also applies to the waiver of the requirement of the written form.
- 12.3 Any invalidity of a part of the foregoing terms (including this clause) shall have no effect on the validity of the remaining terms.