

Hallite Seals Canada Limited

Terms and Conditions of Purchase

Last modified: October 20, 2021

1. **ORDERS.** This order is an offer by Hallite Seals Canada Limited or any of its affiliates as identified on the face of this order (“Hallite”) to the parties to whom the order is addressed (“Seller”) to purchase the goods and/or services (“Products”) designated on the face of this order or attached in writing and shall be the complete and exclusive agreement between Hallite and Seller for such Products. The sole manner of acceptance of this Agreement shall be by performance. These Hallite Terms and Conditions of Purchase (the “Terms and Conditions”) supersede all prior representations, quotations, proposals, orders, agreements or understandings with the exception of fully executed supply or pricing agreements. By accepting Hallite’s purchase order, Seller has agreed to these Terms and Conditions in their entirety (the “Agreement”). Confirmation orders, invoices, acknowledgements, or similar documents submitted by Seller that attempt to modify, add to, or are otherwise inconsistent with these Terms and Conditions shall not constitute a counter-offer and are deemed to be material alterations of Hallite’s purchase order and are hereby expressly rejected and of no force and effect. Acceptance of the Agreement is conditional on acceptance of these Terms and Conditions. In no event shall Hallite be deemed to have in any way changed, enlarged or modified its liability or obligation as fixed by these Terms and Conditions except by a written amendment executed by an officer of Hallite. No purchase order shall be valid unless it is: (i) placed on Hallite’s official purchase order form, and (ii) Hallite has not withdrawn the purchase order.

2. **PRICES.** All prices shall be in Canadian dollars unless otherwise noted. Payment shall be made within forty-five (45) days after receipt by Hallite of the ordered and conforming Products. All prices quoted shall be FOB Hallite’s requested delivery destination unless otherwise agreed upon in writing by Hallite. Prices quoted by Seller shall include all sales, excise, municipal, provincial, or other government taxes. All taxes and other governmental charges upon the production, manufacture, distribution, sale or use of the Products, to the extent required or not forbidden by law to be paid by Seller, shall be paid by Seller.

3. **FORECASTS AND QUANTITY.** Seller hereby acknowledges and agrees that any estimates, forecasts or projections of future anticipated volume or quantity requirements for Products provided by Hallite are provided for informational purposes only, may change

over time, and are non-binding. If quantities and delivery schedules are not specified in the Agreement, they will be as reasonably determined by Hallite and stated in Hallite’s firm releases issued to Seller from time to time. If Seller is supplying Hallite under a vendor managed inventory system pursuant to this Agreement, Seller shall maintain Hallite’s supply at required levels as indicated through the vendor managed inventory system at all times during the terms of this Agreement.

4. **SHIPPING.** Seller shall utilize the carrier designated by Hallite. Seller shall comply with all applicable regulations and legal requirements concerning the manufacture, packaging, packing and delivery of the Products. Any additional shipping expenses as a result of Seller’s backorder or shipments of a lesser quantity than specified shall be paid by Seller unless Hallite authorized such shipping expenses in writing. The Products shall be properly packed and secured in a manner as to reach their destination in good condition under normal conditions of transport. Shipping documents, including Seller’s invoice, must accompany each shipment and be transmitted to the freight forwarder in a timely manner. Seller shall bear all risk of loss until Products are delivered to Hallite (including off-loading and stacking) and accepted by Hallite. Hallite shall not be obligated to return any packaging or packaging materials for the Products to Seller, whether or not any Products are accepted by Hallite.

5. **TIME.** Seller shall deliver the Products to Hallite at the time specified in the Agreement, which shall be during normal business hours. Hallite, without penalty or liability to Seller, shall have the right to reschedule or postpone any delivery of Products. Time shall be of the essence of the Agreement. Seller acknowledges and agrees that late or nonconforming delivery shall obligate Seller to pay direct, incidental and consequential damages to Hallite. If for any reason Hallite is unable to accept delivery of the Products at the time when they are due for delivery Seller shall, if its storage facilities permit, store the Products in a secure manner until such time as Hallite is ready to accept delivery of such Products and Hallite shall pay Seller’s reasonable charges for the storage of such Products.

6. **CANCELLATION.** Hallite shall have the right to cancel any purchase order upon written notice to Seller. In the event of a cancellation of such a purchase order, Hallite shall only be responsible to Seller for the cost of

any finished goods or work in process that corresponds to Hallite's purchase order. Termination of the Agreement for any reason shall be without prejudice to any rights of Hallite that accrued prior to such termination.

7. ON-SITE WORK. If Seller or its representatives are performing installation or any other on-site services related to the purchase of any goods by Hallite, then Hallite may issue additional specifications and conditions for such on-site services. Seller shall fully defend, indemnify and hold Hallite harmless against any and all claims, losses, damages, and expenses resulting from any personal injury or property damage claim resulting from any work performed by Seller's employees, agents or subcontractors on Hallite's premises.

8. WARRANTIES. Seller expressly warrants and represents to Hallite that all Products sold to Hallite shall: (i) conform as to quantity, quality and description to the specifications contained in the Agreement; (ii) be free of all defects in design, materials and workmanship; (iii) be equal in all respects to the samples, patterns, drawings, or specifications provided or given by either party hereto; (iv) be capable to any standard or performance specified in the Agreement; (v) comply with all statutory requirements and regulations relating to the Products; (vi) if the purpose of which they are required is indicated in the Agreement or known by Seller, either expressly or by implication, be fit for that purpose. The warranties set forth in this Section shall be effective for the longer of: (a) the period provided by applicable law where the Products are used; or (b) the warranty period provided by Hallite to its customers. In addition to the remedies available to Hallite through this Agreement or under applicable law, Seller shall be liable for all associated costs incurred by Hallite due to the supply of non-compliant Products. These associated costs shall include a fixed administrative charge of \$1,000 to cover all handling, data entry and reporting activities resulting from the supply of non-compliant Products. Seller shall repair any defects in the Products during the applicable warranty period at Seller's cost and expense (including, without limitation, all parts, labor and transportation costs) immediately after being notified of any such defect by Hallite. The warranties and remedies contained herein supplement the warranties and remedies provided under any applicable law, which shall not be disclaimed or limited. All warranties contained in this Agreement shall run, and all remedies shall be available to, Hallite, its Affiliates, and/or customers, and all such warranties shall survive any delivery, inspection, acceptance or payment by Hallite.

9. INSPECTION AND TESTING. Prior to delivering any Products pursuant to this Agreement, Seller shall carefully inspect and test them for compliance with the specifications. Upon the request of Hallite, Seller shall supply Hallite with a copy of Seller's test sheets and inspection reports that are certified by Seller to be a true copy. Under such circumstances, Seller shall retain the original documents for a period of ten (10) years. Hallite shall be entitled to inspect and test the Products during manufacture, processing or storage. If Hallite should exercise this right, Seller shall provide or procure the provision of all such facilities as may reasonably be required for such inspections and tests. Hallite shall have five (5) years from the receipt of the Products from Seller to bring any claim for defective or non-conforming goods.

10. REJECTION. Hallite may reject or revoke acceptance of the Products if Seller fails to comply with its obligations. Hallite reserves the right to inspect, reject and revoke acceptance regardless of any prior payment made for the Products or the placement of the Products into use for all defects that were not actually discovered by Hallite prior to payment or use. Hallite, at its sole option, may return rejected or non-conforming Products to Seller at Seller's risk and expense. In such case, Seller shall within a reasonable time replace such rejected products with conforming Products. Alternatively, Hallite may require Seller to remove, repair, or replace the defective Products or parts thereof on site without cost to Hallite. Seller shall return to Hallite any amounts paid by Seller for rejected or non-conforming Products that have been returned to Seller but not replaced. Where Hallite agrees to accept delivery of Products by installments, the Agreement shall be construed as a single contract. Nevertheless, a failure by Seller to deliver any one installment shall be a material breach of the entire Agreement. The provisions set out in this Section 10 are in addition to and not in substitution for any other remedies that Hallite may have under applicable law.

11. TOOLING. All patterns, dies, molds, equipment, or any other tooling or materials supplied by Hallite, prepared for, or obtained by Seller for and at the sole cost of Hallite ("Tooling"), shall be and remain the property of Hallite. Seller shall maintain all such Tooling in good order and condition and insure the Tooling against all risks while within Seller's possession, custody and control. On completion of the order, or as otherwise directed by Hallite, Seller shall return all Tooling to Hallite in good order and condition. Seller shall have, or put in place systems to ensure that Hallite's Tooling is clearly identifiable and where possible such Tooling must be physically marked as such. Except as otherwise approved by Hallite in writing, Seller shall not use or

provide any Hallite Tooling for the benefit of or to any third party.

12. **SAFETY AND LEGAL REQUIREMENTS.** Seller warrants and represents that the design, construction, workmanship, and quality of the Products supplied to Hallite under this Agreement comply in all respects with all safety and other requirements imposed by statute, statutory rule, order, or other instrument having the force of law, which may be in force at the time when the same are supplied. Seller shall comply with all environmental laws and regulations that apply to the Products supplied by Seller to Hallite. Seller agrees to provide Hallite with Material Safety Data Sheets and Certificate of Analysis when applicable. Seller shall provide Hallite with prior written notice of: (a) any delivery of the Products or items accompanying the Products having toxic or other hazards to the safety or health of persons or property and shall provide full details of such hazards and of all precautions which should be taken by Hallite in respect of the delivery, storage, handling, installation and use of the Products or items and provide Hallite with all information relating to the properties of the Products or items to enable Hallite to comply with all relevant legislation relating to the Products or items and/or such hazards; and (b) any delivery of Products which are perishable or of limited lifespan and of any circumstances which may adversely affect the lifespan of such Products.

13. **INTELLECTUAL PROPERTY; INFRINGEMENT.** Except for designs and specifications provided and required by Hallite to be incorporated into the Products, Seller warrants and represents that the Products and Hallite and its customer's use of the Products in accordance with Seller's documentation do not infringe or misappropriate any intellectual property rights of any third party. Seller shall fully defend, indemnify, and hold Hallite harmless against any and all actions, claims, demands, costs, charges, penalties, interest, and expenses arising from and incurred by Hallite and/or its customers in connection with a claim of infringement of any intellectual property rights, including without limitation patent, design patents, trademarks or copyrights by the use or sale of any Products supplied by Seller.

14. **USE OF INFORMATION.** Any and all designs, drawings, formulas, specifications and information supplied by Hallite in connection with any order are and shall remain confidential and upon the earlier of (i) termination or expiration, (ii) Hallite's request, or (iii) completion of the order, Seller shall return all such designs, drawings, formulas, specifications and information supplied by Hallite back to Hallite.

15. **CONFIDENTIALITY.** If the parties have entered into a Confidentiality or Non-Disclosure Agreement ("NDA"), the terms and conditions of the NDA shall apply and control for confidentiality obligations between the parties. In the absence of a NDA, Seller may have access to Hallite's confidential information including, without limitation, inventions, developments, know how, specifications, business plans, results of testing, systems, financial information, product information, method of operation, processes, customer information, supplier information and compilations of data ("Confidential Information"). Seller shall use Hallite's Confidential Information only for the purpose contemplated under this Agreement and shall not disclose it to third parties or otherwise use it to its own advantage or Hallite's detriment. Confidential Information shall not include information which: (a) at the time of disclosure is publicly available, or after disclosure becomes a part of the public domain without breach of this Agreement by Seller; (b) was known to Seller prior to its receipt from Hallite as evidenced in writing; or (c) is developed by Seller independently of and without reference to its access to Confidential Information. Seller is permitted to disclose Hallite's Confidential Information to its employees and authorized subcontractors on a need to know basis only; provided that such employees or authorized subcontractors have written confidentiality obligations to Seller no less stringent than the confidentiality obligations under this section. Seller shall return Hallite's Confidential Information and shall not use Hallite's Confidential Information for its own or any third party's benefit. Seller's confidentiality obligations shall survive termination of the Contract for so long as Hallite's Confidential Information remains confidential. Hallite shall be entitled to injunctive relief including, but not limited to, preliminary, temporary or permanent injunctions from any court of competent jurisdiction as may be necessary to enjoin any violation of this section without the necessity of proving immediate irreparable harm or any inadequate remedy at law.

16. **ASSIGNMENT, WAIVER, SEVERABILITY.** Neither party hereto shall assign, delegate, or transfer any of its rights or obligations under this Agreement without the prior written consent of the other party, which such consent shall not be unreasonably withheld, except that either party may assign or delegate its rights or obligations hereunder to an Affiliate without the other party's consent. As used herein, the term "Affiliate" shall mean any entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with the entity specified. Hallite may terminate this Agreement upon written notice to Seller without any further liability to Seller if there is a change of control of Seller. The Agreement constitutes

the entire agreement between the parties with respect to its subject matter, and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of this Agreement. Except as authorized in Section 1, neither the Agreement nor any of its provisions may be modified, amended or waived, whether orally, through the parties' course of performance, course of dealing or course of conduct, or manifested in any other way, unless in writing and signed by authorized representatives of both parties. It is the express intention of the parties that such requirement for written modifications, amendments or waivers be strictly enforced notwithstanding judicial precedent or statutory provisions to the contrary. Any provision found invalid or unenforceable will not affect the validity or enforceability of any other provision and the invalid provision may be judicially modified to the extent enforceable. The failure of Hallite to insist in any one or more instances, upon the performance of the Agreement or the failure of Hallite to exercise any of its rights hereunder shall not be construed as a waiver or relinquishment of any such terms, conditions or rights and shall not effect Hallite's right to insist on strict performance and compliance with regard to any future performance of the Agreement.

17. **INDEPENDENT CONTRACTOR STATUS.** Hallite and Seller are independent contractors and will represent themselves as such in connection with this Agreement. Nothing contained in this Agreement shall be construed to create any agency, partnership, or joint venture between the parties. Neither party has any authority to assume or to create any binding legal obligation on behalf of the other party.

18. **DEFAULT, BANKRUPTCY OR LIQUIDATION.** In the event that Seller commits any breach of the terms and conditions of the order, becomes insolvent, is or becomes subject to bankruptcy or insolvency proceedings, enters into an arrangement for the benefit of creditors, is put into liquidation, or has a receiver appointed, Hallite, without prejudice to any other rights which it may have, may: (a) terminate the order with notice in writing to Seller; or (b) give any such receiver or liquidator or other person the option of carrying out the order on such terms as Hallite may specify.

19. **INDEMNIFICATION.** Seller shall fully defend, indemnify and hold Hallite, including its officers, directors, employees, agents, and representatives harmless from any and all actions, suits, claims, demands, costs, charges, penalties, interest, or expenses, including attorney's fees and court costs arising out of or in relation to the Products supplied by Seller under this Agreement.

20. **INSURANCE.** For the duration of this Agreement and for any applicable statute of limitations period thereafter, Seller shall procure and maintain the following kinds of insurance: (a) commercial general liability insurance with a minimum coverage limit of at least \$1,000,000 per occurrence and \$5,000,000 in the aggregate, including coverage for products, completed operations and contractual liability; (b) commercial automobile liability coverage, including owned, hired and non-owned vehicles with a minimum limit of \$1,000,000 per occurrence and \$5,000,000 in the aggregate; (c) worker's compensation insurance, including statutory benefits and employers liability coverage with limits of at least \$500,000 per accident and per employee by disease; and (d) any other insurance as may be required by law and necessary to cover Seller's liability hereunder. Prior to commencing performance hereunder, Seller shall furnish Hallite with certificate of insurance evidencing coverage as set forth herein.

21. **SET-OFF.** Hallite shall be entitled to apply any sum due from Hallite to Seller in settlement of any amount outstanding from Seller to Hallite or any other company related to or affiliated with Hallite.

22. **FORCE MAJEURE.** Neither party shall be liable to the other party for delay in scheduled delivery or failure in performance caused by acts beyond such party's reasonable control without fault or negligence of such party, including, without limitation, flood, war, embargo, acts of terrorism, riot or the intervention of any governmental authority ("Event of Force Majeure"), provided such party presents a claim and notice in writing to the other party within twenty-four (24) hours of such party becoming aware that an Event of Force Majeure may delay or interrupt performance hereunder. If Seller is unable to perform for any reason, Hallite may purchase Products from other sources and reduce its purchases from Seller accordingly without liability to Seller.

23. **CHOICE OF LAW; DISPUTE RESOLUTION.** This Agreement shall be governed by and construed in accordance with the laws of Canada and the Province of Ontario, without regard to any conflict of laws statutes or rules. The parties hereto agree that the provisions of the U.N. Convention on Contracts for the International Sale of Goods shall not apply. For any dispute, controversy, claim, or matter of interpretation arising out of or related to this Agreement where:

(a) the matter in controversy does not exceed the sum of \$50,000, exclusive of interest and costs, the matter shall be resolved by means of binding arbitration. A demand for arbitration shall be served on the other party by

certified mail. Within forty-five (45) days after a party demands arbitration, the parties shall select a single arbitrator. The selected arbitrator shall conduct the arbitration in a manner substantially similar to the procedures set forth in the Arbitration Rules (“Rules”) of the Canadian Arbitration Association (“CAA”). If the parties are unable to agree on an arbitrator, the party demanding arbitration shall file a demand for arbitration with the CAA and the arbitration shall then proceed in accordance with the Rules. In all circumstances, the arbitration shall take place in Toronto, Ontario.

(b) the matter in controversy exceeds the sum of \$50,000, exclusive of interest and costs, the matter shall be adjudicated exclusively by a court of competent jurisdiction in and for Toronto, Ontario. Seller hereby irrevocably consents to personal jurisdiction of and venue in the provincial and federal courts in and for Toronto, Canada and further irrevocably waives any claim or challenge that such court is an inconvenient forum or otherwise lacks jurisdiction.

In the event of any action or proceeding related to a transaction subject to this Agreement where Hallite is determined to be the prevailing party with regard to some or all claims, Seller agrees to pay all of Hallite’s attorney’s fees and litigation costs up through and including any appeal.

24. RESERVED

25. EXPORT CONTROL; REGULATIONS COMPLIANCE. Seller shall comply with all applicable laws and regulations concerning the sale, transfer, and export of any Products supplied hereunder, including economic sanctions, export control, and trade embargos (“Sanctions”). For the avoidance of doubt, all applicable laws and regulations shall include at least those originating out of or related to United Nation’s resolutions, or trade or economic sanctions, laws or regulations of the European Union, of the Organization for Security and Co-Operation (OSCE), the United States, or Canada, including extraterritorial sanctions. Seller shall not cause Hallite to either, directly or indirectly, risk any potential violation of any applicable Sanctions. Furthermore, Seller will not supply, sell, transfer, export, or otherwise make available or use any goods in order to circumvent, evade, or avoid any applicable Sanctions. If Hallite has reasonable cause to suspect that any goods may or have been supplied, sold, transferred, exported, or otherwise moved through or from any jurisdiction subject to Sanctions or with the involvement any restricted person, or for any purpose or activity which is prohibited or otherwise restricted under Sanctions, Hallite shall have the right to: (a) immediately suspend its performance under this Agreement; (b)

request further information or documentary evidence from Seller, including but not limited to: (i) any licenses, authorizations, permits, or approvals obtained by Seller with respect to the supply, sale, transfer or export of the goods; or (ii) any shipping or commercial documentation, including invoices; or, bills of lading, in order to verify the origination of the goods; (c) take any appropriate measure regarding the continuance of its commercial relationship with Seller. In addition, Seller shall also respect the Hallite positions, which may go beyond Sanctions as defined above. As of the signature date of the Agreement, the list of countries to which Hallite refuses any direct or indirect sales (including transit across these countries) is as follows: Iran, North Korea, and Syria. This list is subject to evolutions during the term of the agreement and Hallite reserves the right to regularly notify Seller of such changes. Seller shall fully indemnify, defend and hold Hallite harmless from and against any losses, costs, claims, causes of action, damages, liabilities, and expense, including attorney’s fees and any expenses of litigation or settlement, and court costs, arising from any non-compliance with the Sanctions by Seller, and Seller shall compensate Hallite for any losses and expenses resulting thereof. Seller shall be responsible for any act or omission of Seller, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of its obligations under this clause.

26. ETHICS AND COMPLIANCE. Seller agrees that (a) in its business dealings with Hallite, it will adhere to the highest standards of ethical conduct, such as set forth in the Michelin Code of Ethics, available at <http://ethique.michelin.com/en>; and (b) be aware of and comply with the laws and regulations that apply to Seller. In the event of inconsistency between any applicable law or regulation and any provision of these Terms and Conditions, the more stringent requirement shall take precedence.

Seller shall apply a “zero tolerance” policy with regard to corruption and influence peddling. In particular, Seller agrees that it will not (1) offer, promise, or give, or (2) attempt to conspire to offer, promise or give, any unfair advantage, whether monetary or of any other nature, directly or indirectly through an intermediary, to a public official or to any professional relation, for that official or professional relation or for a third party, such that the official, professional relation, or third party acts or refrains from acting in the performance of their duties, with a view to obtaining or retaining an activity or other advantage improperly.

With respect to gifts and invitations, Seller agrees to refrain from any practice aimed at (1) directly or indirectly improperly influencing the judgment of any of

Hallite's personnel or (2) obtaining any undue advantage.

In the event that Hallite reasonably believes that Seller has violated this clause, Hallite reserves the right to (a) immediately suspend its performance under the Agreement; (b) request further information or documentary evidence from Seller that in Hallite's good faith judgment is related to the suspected violation; and (c) take any other appropriate and proportionate measure regarding its commercial relationship with Seller.

An Ethics Line is available that can be used by anyone to report any potential breach of any applicable laws and regulations and/or Michelin's Code of Ethics and Anti-Corruption Code of Conduct. An alert can be submitted through the following link: <http://michelingroup.ethicspoint.com/>.

27. USE OR RESALE OF PRODUCT

The Products sold pursuant to these Terms and Conditions shall not be used by Seller in any manner that violates applicable laws, rules, regulations, or standards. Seller shall not make any Products that are sold by Hallite available for resale to third parties to the extent such resale is banned or otherwise prohibited by any applicable law, rule, regulation or standard. Seller shall be solely responsible for ensuring that its use or resale of any Products purchased by Hallite pursuant to these Terms and Conditions complies with all such applicable laws, rules, regulations, and standards.