

Hallite Seals Canada Limited Terms and Conditions of Sale

Last modified: February 10, 2021

1. **AGREEMENT; ACCEPTANCE.** These Terms and Conditions of Sale are by and between Hallite Seals Canada Limited (“Hallite”) and the purchaser identified on the front of Hallite’s acknowledgement form (“Purchaser”). No order for Hallite’s goods or services shall be binding upon Hallite until acknowledged in writing by Hallite. Such written acknowledgement along with these Hallite Terms and Conditions of Sale (“Terms and Conditions”) constitute the entire agreement (the “Agreement”) with respect to its subject matter between Hallite and Purchaser and supersedes all prior oral or written representations or agreements by the parties with respect to the subject matter of this Agreement. Any purchase order, offer, counter-offer, communication, or document before or after Hallite’s written acknowledgement are rejected. Any terms contained on any of Purchaser’s own forms that modify, conflict, add to, or are inconsistent with these Terms and Conditions are expressly rejected and of absolutely no force or effect. Acceptance is expressly conditional upon Purchaser’s assent to these Terms and Conditions. Under no circumstances will Hallite be deemed to have in any way changed, enlarged or modified its liabilities or obligations as fixed by these Terms and Conditions, including without limitation, situations in which Hallite satisfies an order submitted on Purchaser’s own purchase order or other Purchaser forms. Purchaser shall be deemed to have agreed to these Terms and Conditions upon the earlier of: (i) acceptance of Hallite’s quotation, (ii) acceptance of delivery of the goods or services, or (iii) the issuance of a purchase order to Hallite. No provision of these Terms and Conditions may be altered or changed except as agreed upon in writing by an officer of Hallite.

2. **PRICE.** Prices are subject to change up until Hallite’s acknowledgement of acceptance of an order. All prices shall be in Canadian dollars, unless otherwise agreed upon by the parties in writing. Written quotations shall only be valid for thirty (30) calendar days from the date of quotation, unless otherwise agreed upon in writing by the parties. Verbal quotations are non-binding on Hallite. Quoted prices exclude any sales, excise, municipal, provincial, or any other government taxes. All taxes and other government charges imposed on the production, manufacture, distribution, sale or use of goods or services, to the extent required or not forbidden by law to be collected by Hallite from Purchaser, shall be paid by Purchaser to Hallite unless Purchaser furnished Hallite with exemption certificates acceptable

to the relevant taxing authorities. Hallite reserves the right to revise final quoted prices of work in process due to any change in the order on the part of Purchaser.

3. **PAYMENT TERMS.** Payment terms on Hallite invoices are net thirty (30) calendar days from the date of invoice unless otherwise agreed upon by the parties in writing. Any past due amounts on invoices shall bear interest at the greater of (a) 3% per month on the outstanding amounts due, or (b) the maximum interest rate permissible by applicable law. In the event of nonpayment by Purchaser on an invoice when due, in addition to any other rights or remedies Hallite may have, Hallite shall also have the right to suspend any further performance of any services or the shipment and delivery of any future goods under this Agreement or under any other agreement with Purchaser until such invoice is paid in full. If any outstanding amounts under a past due invoice goes unpaid for more than five (5) calendar days after Purchaser’s receipt of a written demand for payment by Hallite, then Hallite shall have the option to terminate this Agreement without any penalty and without prejudice to Hallite’s rights and remedies. Acceptance of bank drafts, checks, or other forms of payment are subject to immediate collection for the full face amount thereof. Hallite, at its discretion, may impose a transaction fee on payments processed via wire transfer or by Letter of Credit. Hallite reserves the right at any time and in its sole discretion to suspend credit or credit terms if Purchaser’s financial condition so warrants. Under such circumstances, Hallite shall have the option, in addition to any other remedies Hallite may have at law, to request cash payment, or satisfactory security from Purchaser before Hallite ships any goods. In the event that the shipment of goods are delayed or deferred at the request of Purchaser beyond the originally scheduled date, payment shall be due in full when Hallite is prepared to ship the goods or perform the services. Any goods which cannot be shipped under such circumstances may, at Hallite’s option, be stored at the exclusive risk and expense of Purchaser.

4. **SHIPMENT; RISK OF LOSS.** Except as otherwise agreed upon by the parties in writing, all sales of goods shall be Ex-Works Hallite’s facility (Incoterms 2021). Risk of loss shall pass from Hallite to Purchaser when Hallite makes the goods available to Purchaser’s carrier. Hallite will use commercially reasonable efforts to meet delivery dates stated in advance of the actual shipment of goods or the performance of the services, but in no

event shall any quoted delivery date be deemed as a firm or guaranteed delivery date. Hallite may, in its discretion, accommodate a request from Purchaser for the delivery of goods in installments if such request is confirmed in writing by Hallite. Installment deliveries, when separately invoiced, shall be paid by Purchaser when due and without regard for any subsequent deliveries. Any delay in the delivery of an installment shall not relieve Purchaser of its obligation to accept remaining deliveries.

5. DELIVERY. Hallite shall not be liable for any damage as a result of any non-delivery or delay in delivery that is due to any cause beyond Hallite's reasonable control, including without limitation, (a) an act of God; (b) an act of Purchaser; (c) embargo; (d) other government act, regulation, or request; (e) fire; (f) accident; (g) labor strike; (h) act of war; (i) boycott; (j) slowdown; (k) riot; or (l) or delay in transportation or inability to obtain necessary labor, materials, or manufacturing facilities.

6. INSPECTION; QUANTITY. Purchaser shall undertake an inspection of any goods delivered hereunder and make any claims for defects in accordance with Section 8. All latent defects shall be addressed as warranty claims hereunder. Any claims concerning shortages in quantity must be made to Hallite in writing within five (5) calendar days after receipt of shipment. Purchaser's failure to provide such notice shall constitute unqualified acceptance of the quantity of goods delivered.

7. TOOLING. All tools, equipment, material, drawings, patterns, dies, assembly fixtures, jigs, gauges, castings, molds and replacements of any of the foregoing, which were supplied by, prepared for Hallite, or obtained by Seller for and at the sole cost of Hallite to manufacture any of Hallite's goods or the performance of any of Hallite's services ("Tooling") is and shall remain the property of Hallite unless otherwise expressly agreed upon in writing by Hallite. Purchaser is prohibited from allowing any third party to use such Tooling or to disclose the Tooling to any third party, including any technical, dimensional, or design details, or any other information in respect of such Tooling at any time.

8. WARRANTY; CLAIMS. Purchaser hereby acknowledges and agrees that Purchaser has selected and ordered goods based on its own skill and judgment and agrees that it is responsible for ensuring that the goods selected are fit for Purchaser's purpose. Hallite warrants only that such goods have been produced in accord with Hallite's standard practices as it pertains to materials and workmanship, and no samples or prior description of goods shall constitute an express warranty. If goods are

non-conforming, Hallite, at its sole option and subject to the terms of this Section 8 and Section 11, will either (i) allow Purchaser to return the goods and receive repayment of the price or (ii) repair or replace the goods. No goods shall be returned to Hallite without the prior written consent of Hallite and the assignment of a return goods authorization number by Hallite. Purchaser is liable for all costs associated with and incurred by Hallite due to Purchaser's selection of non-compliant or defective designs and materials. Such associated costs are calculated based on any additional costs incurred by Hallite in managing the non-compliant or defective products, including, but not limited to, all reworks, investigations, and other consequential costs. Hallite will not be responsible for any selection made by Purchaser and will not have any liability to Purchaser for any loss, damages, costs, or expenses suffered by Purchaser as a result thereof. THE WARRANTY IN THIS SECTION 8 IS IN LIEU OF ANY EXPRESS OR IMPLIED WARRANTIES, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR ANY IMPLIED WARRANTY BY VIRTUE OF COURSE OF DEALINGS OR USAGE OF TRADE BETWEEN THE PARTIES. Hallite shall have no obligation under the warranty in this Section 8 if damage to the goods occurs because of Purchaser's failure to comply with Hallite's written storage procedures for the goods or improper handling or operation, modification of the goods, abuse, misuse, unauthorized repairs made or attempted and/or where equipment is operated above rated capacity. No agent, employee, or representative of Hallite has authority to bind Hallite to any affirmation, representation, or warranty concerning the goods sold. Upon receipt, Purchaser shall inspect any goods provided hereunder. All notice of claims, including claims for alleged defective goods, must be made within (a) thirty (30) calendar days of receipt of such goods; or (b) prior to the installation of such goods into any other products, whichever period is shorter. If no notice of claim is made within such inspection period, the goods shall be deemed irrevocably accepted by Purchaser and all claims against Hallite are hereby waived and forever barred. Purchaser agrees that any litigation or arbitration relating to any claim must be commenced within one (1) year after date of shipment by Hallite. Purchaser hereby expressly assumes all liability for all damage and injury occurring before and after said time periods if notice is not made pursuant to this Agreement.

9. PURCHASER SUPPLIED MATERIALS. Purchaser warrants that any materials, inserts, or parts supplied to Hallite will conform to all indicated specifications and will be timely delivered. Hallite shall not be liable for any damages related to parts or materials supplied by Purchaser, including damage to the part or material itself,

or damage caused by defective materials, inserts, or parts. Hallite extends no warranty and shall not be liable for any Hallite goods that are defective as a result of Purchaser supplied materials, inserts, or parts and Purchaser shall be required to purchase any goods into which Hallite incorporates any Purchaser supplied materials, inserts, or parts at the then applicable price for such goods.

10. INDEMNIFICATION. If Purchaser modifies Hallite's goods or incorporates Hallite's goods into another product or component part, Purchaser agrees to fully defend, indemnify and hold Hallite, including its officers, directors, employees, agents and representatives ("Indemnified Parties") harmless from any and all patent, or other intellectual property claims arising out of, in relation to, or in connection with (i) any Hallite goods made in accordance with Purchaser's designs or specifications; or (ii) the use of any drawings provided to Hallite by Purchaser for use in the manufacture, production, or assembly of such goods.

11. LIMITATION OF LIABILITY. Hallite's liability on any claim for loss or damage arising out of any transactions under this Agreement or from the performance or breach thereof of connected with any goods or services supplied hereunder, or the sale, resale, operation or use of goods, whether based in contract, warranty, tort (including negligence) or other theory of liability shall not exceed the price allocable to such goods or services or the part thereof involved in the claim, regardless of cause or fault. Purchaser's remedies are limited to the return of non-conforming goods, subject to the provisions of Section 8. This limitation of liability and the remedies provided under this Agreement reflect a deliberate and bargained-for allocation of risks between Hallite and Purchaser and constitutes the basis of the parties' bargain, without which Hallite would not have agreed to the price or terms of this Transaction. HALLITE SHALL NOT, IN ANY EVENT, BE LIABLE WHETHER AS A RESULT OF BREACH OF CONTRACT, WARRANTY, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER GROUNDS OR THEORY OF LIABILITY OR FOR INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, REVENUE, GOODWILL, BUSINESS OPPORTUNITY, LOSS OF USE OF GOODS OR ASSOCIATED PRODUCTS, BUSINESS INTERRUPTION, COST OF CAPITAL, COST OF SUBSTITUTE GOODS, FACILITIES OR SERVICES, DOWNTIME COSTS, OR CLAIMS OF CUSTOMERS OF PURCHASER FOR SUCH DAMAGE. In addition, if Hallite furnished Purchaser with advice or other assistance regarding any goods or services supplied hereunder, or any system or equipment

in which any such goods may be installed, and which is not required pursuant to this transaction, the furnishing of the advice or assistance will not subject Hallite to any liability, whether based on contract, warranty, tort (including negligence) or any other theory of liability.

12. WAIVER. Any failure by Hallite to insist in any one or more instances, upon the performance of any of the Terms and Conditions set forth herein 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 right and shall not affect Hallite's right to insist on strict performance and compliance with regard to any future performance of these Terms and Conditions.

13. CHOICE OF LAW; DISPUTE RESOLUTION. All transactions shall be governed by and construed under the laws of Canada and the Province of Ontario, without regard for any conflict of laws rules or statutes. The provisions of the U.N. Convention on Contracts for the International Sale of Goods shall not apply to any transaction under the terms of this Agreement. Any dispute, controversy or claim arising out of or related to this Agreement where the amount in controversy is less than \$50,000, exclusive interest and costs, shall be resolved by means of binding arbitration. A demand for arbitration shall be served by the party seeking arbitration to the other party by registered 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 a single arbitrator, then the party seeking arbitration shall file a demand for arbitration with the CAA and the arbitration shall proceed in accordance with the Rules of the CAA. In all circumstances, arbitration shall take place in Toronto, Ontario.

For any dispute, controversy or claim arising out of this Agreement where the amount in controversy exceeds \$50,000, exclusive of interest and costs, such dispute shall be adjudicated exclusively by a court of competent jurisdiction in or for Toronto, Ontario and the parties hereto irrevocably agree to the personal jurisdiction of and venue in such courts and waive any claim that such forum is inconvenient or that the court lacks jurisdiction. In the event of any proceeding related to this Agreement where Hallite is determined to be the prevailing party with regard to some or all claims, Purchaser hereby agrees to pay all of Hallite's attorney's fees and litigation costs up through and including any appeal.

14. **ASSIGNMENT; SEVERABILITY.** Neither party shall assign or delegate 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 Purchaser without any further liability to Purchaser if there is a change of control of Purchaser. 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 an authorized officer of Hallite. 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 provision and the invalid provision may be judicially modified to the extent enforceable.

15. **EXPORT CONTROL; REGULATIONS COMPLIANCE.** Purchaser shall comply with all applicable laws and regulations concerning the supply, sale, transfer, export, re-transfer, or re-export of the goods, 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. Purchaser shall not cause Hallite to, either directly or indirectly, risk any potential violation of any applicable Sanctions. Furthermore, Purchaser will not supply, sell, transfer, export, re-transfer, re-export, otherwise make available or use any Product supplied by Hallite 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, re-transferred, re-exported, otherwise made available to any jurisdiction subject to Sanctions, or to a restricted person, or for any use, purpose or activity which is prohibited or otherwise restricted under Sanctions, Hallite reserves the right to (a) immediately suspend its performance under this Agreement; (b) request further information or documentary evidence from Purchaser, including but not

limited to: (i) any licenses, authorizations, permits, or approvals obtained by Purchaser with respect to the supply, sale, transfer or export of the goods; (ii) any end user certificates or undertaking supplied to the Purchaser; or (iii) any shipping or commercial documentation, including invoices; or, bills of lading, in order to verify the end use(s) or end-user(s) of the goods; (c) take any appropriate measure regarding the continuance of its commercial relationship with Purchaser. In addition, Purchaser shall also respect the Hallite positions, which may go beyond Sanctions as defied 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 Purchaser of such changes. Purchaser 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 Purchaser, and Purchaser shall compensate Hallite for any losses and expenses resulting thereof. Purchaser shall be responsible for any act or omission of Purchaser, its officers, employees, agents, suppliers, or subcontractors at any tier, in the performance of its obligations under this clause.

16. **ELECTRONIC SIGNATURE.** Both parties agree that this particular contract may be executed by electronic means, including an electronic signature and that such signature will appear on this Agreement just as a handwritten signature would for the purposes of establishing the validity, enforceability, and admissibility of the contract.