



Purchase Order Terms and Conditions

Each Purchase Order placed by buyer for goods and/or services is subject to these standard purchase terms and the terms of the applicable Purchase Order, and is conditional upon Supplier's agreement to such terms. Supplier shall be deemed to have agreed to be bound by such terms by accepting the Purchase Order, delivering the goods, and/or performing the services.

1. **Definitions.** In these Standard Purchase Terms, the following definitions apply:
 - a. "Agreement" means the agreement between Supplier and Buyer for the purchase and sale of Goods and/or Services.
 - b. "Buyer" means the Purchaser which is in representation of Procuring goods on behalf of Flex-Pression Ltd.
 - c. "Deliverable" means any deliverable or other product or result from Services that is referred to in a Purchase Order, and any related materials, data, documentation, and includes any Intellectual Property Rights developed by Supplier pursuant to such Purchase Order.
 - d. "Delivery Date" means the date of delivery for Goods or performance of Services as specified in a Purchase Order.
 - e. "Delivery Point" means the location identified by Buyer in the Purchase Order to which the Supplier is to deliver Goods and/or perform the services, or such other delivery area or point which is specified in writing by Buyer.
 - f. "Goods" means the goods that are required to be delivered by Supplier pursuant to a Purchase Order, and include all materials, component parts, packaging and labelling of such goods.
 - g. "Intellectual Property Rights" means all intellectual and industrial property rights and rights of a similar nature including all rights in and to, patents including all issued patents and pending applications therefore and patents which may be issued therefrom (including divisions, reissues, re-examinations, continuations and continuations-in-part); trademarks; copyrights; industrial design rights; rights pertaining to trade secrets and confidential information; publicity rights; personality rights; moral rights; and other intellectual property rights whether registered or not and all applications, registrations, renewals and extensions pertaining to the foregoing.
 - h. "Purchase Order" means the purchase order between Buyer and Supplier for the purchase and sale of Goods and/or Services, to which these Standard Purchase Terms are attached or are incorporated by reference.
 - i. "Services" means any services to be provided by Supplier to Buyer pursuant to a Purchase Order.
 - j. "Specifications" means the requirements, attributes and specifications for the Goods or Services that are set out in the applicable Purchase Order. Specifications also include: (a) documentation published by Supplier relating to the Goods or Services; (b) operational and technical features and functionality of the Goods or Services; (c) standards or levels of service performance for Services; and (d) Buyer business requirements that are expressly set out in a Purchase Order.
 - k. "Supplier" means the party indicated on the face page of the Purchase Order that is contracting with Buyer for the purchase and sale of Goods and/or Services.

- I. "Supplier Proposal" means any acknowledgement, estimate, quote, offer to sell, invoice, or proposal of Supplier relating to the supply of Goods and/or Services to Buyer, including any delivered in connection with a request for quotations, request for proposal or similar process initiated by Buyer.
 - m. "Warranty Period" means in respect of any Goods or Services, the longer of: (i) the express written warranty period provided by Supplier for the Goods or Services; and (ii) the period commencing on the date of Acceptance of such Goods or Services and ending on the date that is one (1) year from the date of Acceptance.
2. **Agreement.** The Agreement consists only of: (a) these Standard Purchase Terms; (b) the applicable Purchase Order; and (c) any Specifications or other documents expressly referenced in the Purchase Order. Any reference in the Purchase Order to any Supplier Proposal is solely for the purpose of incorporating the descriptions and specifications of the Goods and/or Services contained in the Proposal, and only to the extent that the terms of the Supplier Proposal do not conflict with the descriptions and Specifications set out in the Purchase Order. Buyer's acceptance of, or payment for, Goods and/or Services will not constitute Buyer's acceptance of any additional or different terms in any Supplier Proposal, unless otherwise accepted in writing by Buyer. If there is any conflict or inconsistency between the documents constituting the Agreement, then unless otherwise expressly provided, the documents will rank in the order of precedence in accordance with the order in which they are listed in this Section 2. For clarity the order of precedence shall be these Standard Purchase Terms, then the Purchase Order, then any Specifications or other documents expressly referenced in the Purchase Order. These Purchase Terms shall prevail over any terms or conditions contained in any other documentation and expressly exclude any of Supplier's general terms and conditions of sale or any other document issued by Supplier in connection with this Order.
3. **Delivery of Goods and Services.**
 - a. Supplier agrees to supply and deliver the Goods to Buyer and to perform the Services, as applicable, on the terms set out in this Agreement.
 - b. Supplier shall, at its own expense, pack, load, and deliver Goods to the Delivery Point and in accordance with the invoicing, delivery terms, shipping, packing, and other instructions printed on the face of the Purchase Order or otherwise provided to Supplier by Buyer in writing. No charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging or similar charges unless provided for in the applicable Purchase Order or otherwise agreed to in writing by Buyer.
 - c. Time is of the essence with respect to delivery of the Goods and performance of Services. Goods shall be delivered and Services performed by the applicable Delivery Date. Supplier must immediately, or as soon as is possible, notify Buyer if Supplier is likely to be unable to meet a Delivery Date. At any time prior to the Delivery Date, Buyer may, upon notice to Supplier, cancel or change a Purchase Order, or any portion thereof, for any reason, including, without limitation, for the convenience of Buyer or due to failure of Supplier to comply with the Agreement, unless otherwise noted.
 - d. Title and risk of loss or damage shall pass to Buyer upon receipt of Goods at the Delivery Point, unless otherwise agreed to by the parties in writing. Buyer has no obligation to obtain insurance while Goods are in transit from Supplier to the Delivery Point.
 - e. Supplier shall follow all instructions of Buyer and cooperate with Buyer's customs broker as directed by Buyer (including by providing requested shipping documentation) with respect to all Goods that originate from sources or suppliers based outside Canada. Supplier shall comply with all the requirements of the Canada Border Services Agency (or any successor organization) with respect to the importation of Goods from outside Canada.

4. **Delivery Date.** Supplier shall deliver the Goods in the quantities and on the date(s) specified in this Order or as otherwise agreed in writing by the parties (the "**Delivery Date**"). If no delivery date is specified, Supplier shall deliver the Goods within fourteen (14) days of Supplier's receipt of the Order. Timely delivery of the Goods is of the essence. If Supplier fails to deliver the Goods in full on the Delivery Date, Buyer may terminate the Order immediately by providing written notice to Supplier and Supplier shall indemnify Buyer against any losses, claims, damages, and reasonable costs and expenses directly attributable to Supplier's failure to deliver the Goods on the Delivery Date.
5. **Quantity.** If Supplier delivers more than one hundred percent (100%) or less than one hundred percent (100%) of the quantity of Goods ordered, Buyer may reject all or any excess Goods. Any such rejected Goods shall be returned to Supplier at Supplier's risk and expense. If Buyer does not reject the Goods and instead accepts the delivery of Goods at the increased or reduced quantity, the Price for the Goods shall be adjusted on a pro-rata basis.
6. **Delivery Schedule:** The Supplier agrees to deliver the Products in accordance with the delivery schedule specified in 4 of this Agreement. Time is of the essence in the delivery of the Products.
7. **Notice of Delay:** The Supplier shall notify the Buyer immediately, in writing, of any anticipated delays in the delivery of the Products. Such notice shall include the reason for the delay and the expected duration of the delay.
8. **Penalty for Late Delivery:** In the event the Supplier fails to deliver the Products on or before the agreed-upon delivery date, a penalty shall apply. For each calendar day of delay, the Supplier shall pay the Buyer a penalty of **1.5% of the total order value per day**, up to a maximum of **12% of the total order value**. The penalty shall be deducted from any outstanding payments owed to the Supplier or, if no such payments are owed, paid directly to the Buyer within 14 business days of receipt of notice of late delivery.
9. **Inspection; Acceptance and Rejection.** The Buyer has the right to inspect the Goods on or after the Delivery Date and for a period of ninety (90) days from the Delivery Date. Buyer, at its sole option, may inspect all or a sample of the Goods, and may reject all or any portion of the Goods if it determines the Goods are non-conforming or defective. If Buyer rejects any portion of the Goods, Buyer has the right, effective upon written notice to Supplier, to: (a) rescind the Order in its entirety; (b) accept the Goods at a reasonably reduced price; or (c) reject the Goods and require replacement of the rejected Goods. If Buyer requires replacement of the Goods, Supplier shall, at its expense, promptly replace the non-conforming Goods and pay for all related, including, but not limited to, transportation charges for the return of the defective goods and the delivery of replacement Goods. If Supplier fails to timely deliver replacement Goods, Buyer may replace them with goods from a third party and charge Supplier the cost thereof and terminate this Order for cause pursuant to Section 14. Any inspection or other action by Buyer under this Section shall not reduce or otherwise affect Supplier's obligations under the Order, and Buyer shall have the right to conduct further inspections after Supplier has carried out its remedial actions.
10. **Conditions and Warranties.** Supplier warrants to Buyer that for a period of three (3) months from the Delivery Date, all Goods will: (a) be free from any defects in workmanship, material and design; (b) conform to applicable specifications and other requirements specified by Buyer; (c) be fit for their intended purpose and operate as intended; (d) be merchantable; (e) be free and clear of all liens, security interests or other encumbrances; and (f) not infringe or misappropriate any third party's patent or other intellectual property rights. These warranties survive any delivery, inspection, acceptance, or payment of or for the Goods by Buyer. These warranties are cumulative and in addition to any other warranty provided by law or equity. Any applicable statute of limitations runs from the date of Buyer's discovery of the non-compliance of the Goods with the foregoing warranties. If Buyer gives Supplier notice of non-compliance

with this Section, Supplier shall, at its own cost and expense, within fourteen (14) days replace or repair the defective or non-conforming Goods and pay for all related expenses, including, but not limited to, transportation charges for the return of the defective or non-conforming goods to Supplier and the delivery of repaired or replacement Goods to Buyer.

11. **Price/Payment Terms.** Prices for the Goods and/or Services will be set out in the applicable Purchase Order. Price increases or charges not expressly set out in the Purchase Order shall not be effective unless agreed to in advance in writing by Buyer. Supplier will issue all invoices on a timely basis. All invoices delivered by Supplier must meet Buyer's requirements, and at a minimum shall reference the applicable Purchase Order. Buyer will pay the undisputed portion of properly rendered invoices within thirty-five (35) days of the invoice date. The Buyer, acting reasonably, may withhold payment from the Supplier of any invoiced amounts that are disputed in good faith, until the parties reach an agreement with respect to such disputed amounts, and to such extent as may be considered necessary by the Buyer to protect the Buyer from loss on account of defective services, materials or equipment not remedied, the failure of the Supplier to perform any of its obligations under the Agreement or the failure of the Buyer to make payments in relation to Goods and or Services under this Agreement and such withholding of payment shall not be deemed a breach of this Agreement nor shall any interest be charged on any such amounts. Notwithstanding the foregoing, Buyer agrees to pay the balance of the undisputed amounts on any invoice that is the subject of any dispute within the time periods specified herein.
12. **Taxes.** Unless otherwise stated in a Purchase Order, all prices or other payments stated in the Purchase Order are exclusive of any taxes. Supplier shall separately itemize all applicable taxes on each invoice and indicate on each invoice its applicable tax registration number(s). Buyer will pay all applicable taxes to Supplier when the applicable invoice is due. Supplier will remit all applicable taxes to the applicable government authority as required by all applicable laws. Notwithstanding any other provision of this Agreement, Buyer may withhold from all amounts payable to Supplier all applicable withholding taxes and to remit those taxes to the applicable governmental authorities as required by applicable laws.
13. **Hazardous Materials.** Supplier agrees to provide, upon and as requested by Buyer, to satisfy any applicable laws governing the use of any hazardous substances either of the following: (a) all reasonably necessary documentation to verify the material composition, on a substance by substance basis, including quantity used of each substance, of any Goods, and/or of any process used to make, assemble, use, maintain or repair any Goods; or (b) all reasonably necessary documentation to verify that any Goods and/or any process used to make, assemble, use, maintain or repair any Goods, do not contain, and the Services do not require the use of, any particular hazardous substances specified by Buyer.
14. **Legal Compliance; Workplace Safety.** In carrying out its obligations under the Agreement, including the performance of Services, Supplier shall at all times comply with all applicable all federal, provincial, and municipal laws, regulations, standards, and codes. Supplier shall be at all times registered with the workplace safety and insurance board under the *Ontario Workplace Safety and Insurance Act, 1997* and shall maintain its workers' compensation accounts in good standing, and provide Buyer with evidence of good standing upon request. Supplier shall obtain all applicable permits, licences, exemptions, consents and approvals required for the Supplier to manufacture and deliver the Goods and perform the Services.
 - a. **Product Warranties.** Supplier warrants to Buyer that during the Warranty Period all Goods provided hereunder shall be: (i) of merchantable quality; (ii) fit for the purposes intended; (iii) unless otherwise agreed to by Buyer, new; (iv) free from defects in design, material

and workmanship; (v) in strict compliance with the Specifications; (vi) free from any liens or encumbrances on title whatsoever; (vii) in conformance with any samples provided to Buyer; and (viii) compliant with all applicable federal, provincial, and municipal laws, regulations, standards, and codes.

- b. **Service Warranties.** Supplier shall perform all Services: (i) exercising that degree of professionalism, skill, diligence, care, prudence, judgment, and integrity which would reasonably be expected from a skilled and experienced service provided providing services under the same or similar circumstances as the Services under this Agreement; (ii) in accordance with all Specifications and all Buyer policies, guidelines, by-laws and codes of conduct applicable to Supplier; and (iii) using only personnel with the skills, training, expertise, and qualifications necessary to carry out the Services. Buyer may object to any of the Supplier's personnel engaged in the performance of Services who, in the reasonable opinion of Buyer, are lacking in appropriate skills or qualifications, engage in misconduct, constitute a safety risk or hazard or are incompetent or negligent, and the Supplier shall promptly remove such personnel from the performance of any Services upon receipt of such notice, and shall not re-employ the removed person in connection with the Services without the prior written consent of Buyer.
- c. **Intellectual Property Warranty.** Supplier further warrants to Buyer that at all times all Goods and or Services (including any Deliverables) will not be in violation of or infringe any Intellectual Property Rights of any person.
- d. **Manufacturer Warranties.** Supplier shall assign to Buyer all manufacturer's warranties for Goods not manufactured by or for Supplier, and shall take all necessary steps as required by such third party manufacturers to effect assignment of such warranties to Buyer.

15. **Warranty Remedies.**

- a. In the event of breach of any of the warranties in Section 11.a or 11.b, and without prejudice to any other right or remedy available to Buyer (including Buyer's indemnification rights hereunder), Supplier will, at Buyer's option and Supplier's expense, refund the purchase price for, or correct or replace the affected Goods, or re-perform the affected Services, within 10 day(s) after notice by Buyer to Supplier of warranty breach. All associated costs, including costs of re-performance, costs to inspect the Goods and/or Services, transport the Goods from Buyer to Supplier, and return shipment to Buyer, and costs resulting from supply chain interruptions, will be borne by Supplier. If Goods are corrected or replaced or Services are re-performed, the warranties in Section 12.a will continue as to the corrected or replaced Goods for a further Goods Warranty Period commencing on the date of Acceptance of the corrected or replaced Goods by Buyer. If Supplier fails to repair or replace the Product within the time periods required above, Buyer may repair or replace the Goods at Supplier's expense.
- b. In the event that any Goods provided by Supplier to Buyer are subject to a claim or allegation of infringement of Intellectual Property Rights of a third party, Supplier shall, at its own option and expense, without prejudice to any other right or remedy of Buyer (including Buyer's indemnification rights hereunder), promptly provide Buyer with a commercially reasonable alternative, including the procurement for Buyer of the right to continue using the Goods in question, the replacement of such Goods with a non-infringing alternative satisfactory to Buyer, or the modification of such Goods (without affecting functionality) to render them non-infringing.

16. **Intellectual Property Rights.** All Intellectual Property Rights in and to each Deliverable shall vest in Buyer free and clear of all liens and encumbrances on receipt of payment by Supplier for each Deliverable. To the extent that any Deliverables contain any intellectual property of Supplier, Supplier hereby grants to Buyer a worldwide, royalty-free, non-exclusive, perpetual license to use, copy, modify and distribute such intellectual property as part of the Deliverables. Supplier agrees to provide to Buyer all assistance reasonably requested by Buyer to perfect the rights described herein, including obtaining all assignments and waivers of moral rights necessary or appropriate to vest the entire right, title and interest in such materials in Buyer and its successors and assigns.
17. **Termination.** Buyer may terminate this Order, in whole or in part, at any time with or without cause for undelivered Goods on seven (7) days' prior written notice to Seller. In addition to any remedies that may be provided under these Terms, Buyer may terminate this Order with immediate effect upon written notice to the Seller, either before or after the acceptance of the Goods, if Seller has not performed or complied with any of these Terms, in whole or in part. If the Seller becomes insolvent, is generally unable to pay, or fails to pay, its debts as they become due, files a petition for bankruptcy or commences or has commenced against it proceedings relating to bankruptcy, receivership, liquidation, reorganization, arrangement, or assignment for the benefit of creditors, then the Buyer may terminate this Order upon written notice to Seller. If Buyer terminates the Order for any reason, Seller's sole and exclusive remedy is payment for the Goods received and accepted by Buyer prior to the termination.
18. **Confidentiality.** Supplier shall safeguard and keep confidential any and all information relating to Buyer obtained by it or provided to it by Buyer in connection with this Agreement, and shall use such information only for the purposes of carrying out its obligations under this Agreement.
19. **Insurance.** Supplier represents and warrants to Buyer that it has in place with reputable insurers such insurance policies in coverage amounts that would be maintained by a prudent supplier of goods and services similar to the Goods and Services provided hereunder, including, as applicable, professional errors and omissions liability insurance and comprehensive commercial general liability insurance (including product liability coverage, all-risk contractors' equipment insurance, and automobile liability insurance). In addition, Supplier will take out and maintain, at its own cost, such insurance policies and coverages as may be reasonably required by Buyer from time to time. Supplier will promptly deliver to Buyer, as and when requested, written proof of such insurance. If requested, Buyer will be named as an additional insured under any such policies. If requested by Buyer, such insurance will provide that it cannot be cancelled, or materially changed so as to affect the coverage provided under this Agreement, without the insurer providing at least 30 days prior written notice to Buyer.
20. **Indemnities.** Supplier shall indemnify, defend and hold harmless Buyer, and their respective officers, directors, employees, consultants, and agents (collectively the "**Indemnified Parties**") from and against all losses, damages, costs, expenses (including without limitation legal fees and expenses), liabilities, claims, suits, actions and causes of actions (collectively the "**Losses**") whatsoever, sustained or incurred and arising directly or indirectly out of : (a) death, bodily injury, or loss or damage to real or tangible personal property resulting from the use of or any actual or alleged defect in the Goods or Services, or from the failure of the Goods or Services to comply with the warranties hereunder; (b) any claim that the Goods or Services infringe or violate the Intellectual Property Rights or other rights of any person; (c) any intentional, wrongful or negligent act or omission of Supplier or its successors, assigns, directors, officers, agents, subcontractors, consultants, employees or others for whom it is responsible by law; (d) Supplier's performance, or failure to perform any of its obligations under this Agreement; or (e) any liens or encumbrances relating to any Goods or Services.

21. **Limitation of Liability.** EXCEPT FOR SUPPLIER'S OBLIGATIONS UNDER SECTION 20, AND EXCEPT FOR DAMAGES THAT ARE THE RESULT OF THE GROSS NEGLIGENCE OR WILFUL MISCONDUCT OF A PARTY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY OTHER PERSON FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES, INCLUDING ANY LOST PROFITS, DATA, GOODWILL, OR BUSINESS OPPORTUNITY FOR ANY MATTER RELATING TO THIS AGREEMENT.
22. **Independent Contractors.** Supplier will perform its obligations under the Agreement as an independent contractor and in no way will Supplier or its employees be considered employees, agents, partners, fiduciaries, or joint venturers of Buyer. Supplier and its employees will have no authority to represent Buyer or its Affiliates or bind Buyer or its Affiliates in any way, and neither Supplier nor its employees will hold themselves out as having authority to act for Buyer or its Affiliates.
23. **Further Assurances.** The parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.
24. **Severability.** If any provision of this Agreement is determined to be unenforceable or invalid for any reason whatsoever, in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part thereof and all other provisions shall continue in full force and effect.
25. **Waiver.** No waiver of any provision of this Agreement shall be enforceable against that party unless it is in writing and signed by that party. Unless otherwise specified, the waiver will be limited to the specific breach waived.
26. **Assignment.** Supplier may not assign or subcontract this Agreement, in whole or in part, without Buyer's prior written consent. Supplier's permitted assignment or subcontracting of this Agreement or any part thereof will not release Supplier of its obligations under this Agreement, and it will remain jointly and severally liable with the assignee or subcontractor for any obligations assigned or subcontracted. The acts of omissions of any subcontractors of Supplier will be deemed to be the acts and omissions of the Supplier. Buyer may assign this Agreement, in whole or in part, to any Affiliate of Buyer, without the consent of Supplier. This Agreement shall enure to the benefit of and be binding upon the parties and their respective legal personal representatives, heirs, executors, administrators, assigns or successors.
27. **Cumulative Remedies.** Subject to Section 21, the rights and remedies of the Buyer in this Agreement are cumulative and in addition to any other rights and remedies at law or in equity.
28. **Governing Law.** The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this Agreement. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
29. **Survival.** Any provision of this Agreement which expressly or by implication from its nature is intended to survive the termination or completion of the Agreement will continue in full force and effect after any termination, expiry or completion of this Agreement, specifically including but not limited to the following sections: Sections 10, 14, 17, 18, 19, 20, 28, and this Section 29.
30. **Interpretation.** The headings used in this Agreement and its division into articles, sections, schedules, exhibits, appendices, and other subdivisions do not affect its interpretation. Unless the context requires otherwise, words importing the singular number include the plural and

vice versa; words importing gender include all genders. References in this Agreement to articles, sections, schedules, exhibits, appendices, and other subdivisions are to those parts of this Agreement. Where this Agreement uses the word “including,” it means “including without limitation,” and where it uses the word “includes,” it means “includes without limitation.”

31. **Electrical/Electronic Components and Equipment.** All electrical/electronic components or equipment must have Ontario provincial approvals such as the Electrical Safety Authority, CSA or ULC requirements and conform to the industry standards and all other applicable legislative requirements.
32. **Language.** It is the express wish of the parties that this Agreement and any related documentation be drawn up in English. *Il est de la volonté expresse des parties que cette convention ainsi que tout document connexe soient rédigés en langue anglaise.*