



Electrical Contacts Limited

519 - 22nd Avenue, Hanover, Ontario, Canada N4N 3T6

Telephone: (519)364-1878 Fax: (519)364-4626 Net Site: www.e-c-l.com

Standard Terms and Conditions of Sale

1. Contract Terms

These Standard Terms and Conditions of Sale ("Conditions of Sale") shall apply to any purchase or procurement of Products or Services by the legal entity procuring such Products or Services ("Purchaser") from the legal entity of Electrical Contacts Limited that provided the proposal or is selling the Products and Services ("ECL"). To the extent that there is a conflict between these Conditions of Sale and a valid signed master agreement between the Purchaser and ECL, the specific conflicting terms of the master agreement shall prevail. To the extent that there is a conflict between these Conditions of Sale and another set of ECL terms and conditions issued to the Purchaser as part of the proposal or quotation process, the specific conflicting terms of the proposal or quotation document shall prevail. Any other variation from these Conditions of Sale shall require the signed consent of an authorized ECL representative.

2. Prices

Unless otherwise stated in an applicable quotation or proposal, all prices are subject to change without notice. In the event of a net price change and unless otherwise agreed to in writing, prices for orders scheduled for immediate release shall be those in effect at time of order entry. Prices for orders placed for future shipment without an agreed price and ship date will be billed at the pricing in effect as of the shipment date. All clerical errors are subject to correction.

3. Taxes

Unless otherwise set out in ECL's proposal or quotation, prices do not include taxes, duties or any other governmental levies, all of which are payable by Purchaser. Except as may be otherwise provided in the relevant Purchase Order, the price excludes all present or future sales taxes, revenue or excise taxes, value-added taxes, import and export duties and any other taxes, surcharges or duties now existing or hereafter imposed by governmental authorities upon goods and/or services quoted by ECL. The Purchaser shall be responsible for all such taxes, duties and charges resulting from these Conditions of Sale or any associated purchase. ECL is required to impose taxes on orders and shall invoice the Purchaser for such taxes and/or fees according to applicable law, statutes, or regulations, unless ECL furnishes the Purchaser at the time of order with a properly completed exemption certificate(s)



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acceptable to the authorities imposing the tax or fees. Any changes in foreign exchange rates, sales taxes, customs tariffs or other taxes shall be chargeable to the Purchaser.

4. Terms of Payment

Terms are net 30 days from date of invoice, unless otherwise negotiated. Late payments may be subject to interest charges at the rate of two percent (2%) per month. Invoices for pro-rata payments become due on the date of shipment. If at Purchaser's request, shipments are delayed beyond the scheduled date, payments for the Products and Services completed to date will be invoiced to the Purchaser, as a percentage of the total Purchase Order price when ECL was originally prepared to ship. Products held for the Purchaser shall be at the risk and expense of the Purchaser. If completion of Services is delayed more than 30 days after originally scheduled delivery date and not caused solely by ECL, ECL reserves the right to ship all Products to the Purchaser who will accept responsibility for Products including payment. Failure to pay any applicable payment on its due date shall automatically cause all installment amounts to become payable and in addition to ECL's other lawful remedies, ECL reserves the right to suspend or cancel the PO. If Purchaser fails to pay ECL for the Products and Services, ECL reserves the right to file in its sole discretion any liens, charges, security interests, or similar encumbrances against the applicable property, building, land, or Products and Services and Purchaser consents to such filings and registrations.

5. Delivery and Schedule

Dates for delivery, schedule, or execution for Services or Products set out on a Purchase Order are subject to confirmation by ECL and until such confirmation may change solely based on ECL's circumstances. All confirmed dates are based on the prompt receipt by ECL of all required information enabling achievement of such dates and ECL reserves the right to change such dates in the event additional information is necessary or other information was not provided.

DISCLAIMER: The Purchaser acknowledges that the products or part thereof are produced in, or otherwise sourced from, or will be installed in areas already affected by, or that may be affected in the future by, the prevailing COVID-19 epidemics/pandemic and that the situation may trigger stoppage, hindrance or delays in ECL's (or its subcontractors) capacity to produce, deliver, install or service the products, irrespective of whether such stoppage, hindrance or delays are due to measures imposed by authorities or deliberately implemented by ECL (or its subcontractors) as preventive or curative measures to avoid harmful contamination exposure of ECL's (or its subcontractors') employees. The Purchaser therefore recognizes that such circumstances shall be considered as a cause for **excusable**



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delay not exposing ECL to contractual sanctions including without limitation, delay penalties, liquidated or other damages or termination for default.

6. Risk of Loss

Unless otherwise specifically agreed by the Parties, the Products are delivered FOB ECL's dock (Incoterms 2020) and the risk of loss or damage shall pass to the Purchaser upon collection of the Products by the first carrier at ECL's premises, plants or warehouses. Delivery of Products by ECL will be deemed to be made to the Purchaser upon obtaining a signed receipt from the carrier showing receipt of the Products in good order.

7. Substitutions

ECL may furnish suitable substitutes for Products unobtainable because of priorities or regulations established by governmental authority or non-availability of materials from suppliers, provided such substitutions do not adversely affect the technical soundness of the Products. ECL assumes no liability for deviation from published dimensions and descriptive information not essential to proper performance of the Products.

8. Shortage

Claims for shortages or errors must be submitted to ECL within 30 days after invoice date, and failure to give such notice shall constitute unqualified acceptance and a waiver of all such claims by the Purchaser. Shipment quantities of +/- 10% of purchase order quantity will constitute completion of orders. Exact quantity shipments can be arranged at extra charge to the Purchaser. Due to variation inherent within processing, weights of contacts can vary within the same production lot. In the case that contact shipments are reweighed upon receipt at the Purchaser's facility ECL will reimburse only the discrepant amounts determined using ECL's own piece weight located on the identifying tag contained in each individual sealed bag.

9. Installments



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ECL reserves the right to make shipments in installments, unless otherwise expressly stipulated in a specific Purchase Order; and all such installments when separately invoiced shall be paid for when due per invoice without regard to subsequent shipments. Delay in shipment of any installment shall not relieve Purchaser of its obligation to accept remaining shipments.

10. Force Majeure

ECL will be excused from and not be liable for any non-performance of a Purchase Order if such delay or non-performance is due to any cause beyond the reasonable control of ECL, or which ECL could not reasonably foresee or reasonably provide against, and which prevents ECL from carrying out the terms of the Purchase Order. This includes but is not limited to the following: war, revolution, insurrection or hostilities (whether declared or not), riot, economic upheaval, civil commotion or uprising, flood, earthquake, tempest, hurricane, lightning or other natural disaster; fire or explosion; strike, lockout or other industrial disturbance whether at ECL or one of its suppliers; sabotage, accident, embargo, car shortage, wrecks or delays in transportation, non-delivery of materials or order or action of government authority. Any delay resulting from such cause shall extend the date of delivery accordingly. ECL reserves the right to cancel a Purchase Order, if in its opinion such circumstances threaten or cause extended delay in the performance thereof.

11. Standard Warranty

ECL warrants:

- a. Products manufactured by ECL under its own brands and supplied by ECL as part of the Purchase Order, if any, against defects in material and workmanship of those Products arising under normal use for a period of 12 months from the date of commissioning or 18 months from the date of shipment from ECL, whichever occurs first.
- b. Services performed by ECL's personnel as part of the Purchase Order, if any, will be performed by qualified personnel with care, skill and diligence, in accordance with the applicable generally accepted standards recognized by the industry for a period of 12 months from the date of invoice.



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Exclusive Warranty Remedies: In the event of any warranty covered defects or deficiencies in Products in subsections

(a) above, or Services in subs. (b) above, the sole and exclusive obligation of ECL shall be to re-perform the Services, or repair or replace the defective Products or part of the Products, at ECL's sole discretion. Such warranty coverage is contingent on Purchaser providing prompt notification to ECL once such defect or deficiency is reasonably apparent to Purchaser.

Exclusions & Limitations: This warranty shall not apply (a) to Products not manufactured by ECL, (b) Services not provided directly by ECL, (c) to Products or Services that has been repaired or altered by anyone other than ECL so as, in ECL's judgment, affects the same adversely, (d) Seller's conformance with Buyer's design of the Products or Software; or (e) to Products or Services that appear to be subjected to negligence, accident, or damage by circumstances beyond ECL's control, or any improper non-ECL operation, maintenance or storage, or to other than normal use or service. The foregoing warranties do not cover reimbursement for labor, transportation, removal, installation, temporary power, or any other expenses that may be incurred in connection with repair or replacement. THESE WARRANTIES, CONDITIONS, AND EXCLUSIONS ARE EXCLUSIVE AND IN LIEU OF ALL OTHER EXPRESS OR IMPLIED WARRANTIES, CONDITIONS, REPRESENTATIONS AND GUARANTEES (EXCEPT WARRANTIES OF TITLE), INCLUDING, BUT NOT LIMITED, TO IMPLIED WARRANTIES OF MERCHANTABILITY, MERCHANTABILITY, AND FITNESS FOR A PARTICULAR PURPOSE. EXCEPT AS MAY BE PROVIDED IN WRITING BY ECL, ECL SHALL NOT BE SUBJECT TO ANY OTHER OBLIGATIONS OR LIABILITIES WHATSOEVER THAN AS STATED ABOVE WITH REGARD TO PRODUCTS AND SERVICES SOLD BY ECL TO PURCHASER.

Non-ECL Products or Services: With respect to Products not manufactured by ECL, or Services provided by non-ECL providers, the warranty obligations of ECL shall in all respects conform and be limited to the warranty actually extended to ECL by such non-ECL supplier.

12. Return of Products

No Products may be returned without first obtaining ECL's written permission and a returned material identification tag. Returned Products must be of current manufacture, in the original packaging, unused, undamaged and in saleable condition. Returned Products must be securely packed to reach ECL without damage and labeled with the return authorization number. For any returns, ECL will pay the carrier and deduct the freight charges from the credit unless if returns result from ECL error, freight charges will be paid by ECL. Any cost incurred by ECL to put Products in first class condition will be charged to the Purchaser. Returns must originate from the original Purchaser account number. Returns will be credited at the original price paid as indicated on the invoice or Purchase Order associated to the Products being returned as provided by the Purchaser. If no invoice number or Purchase Order number is provided, then credit will be issued based on the into stock price in effect 12 months prior to date of return



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authorization and will also have an additional 25% processing fee applied. ECL Products, which are listed in the current product list as returnable and which are accepted for credit, not involving an ECL error, shall be assessed a restocking fee of 25% of the invoice price.

13. Intellectual Property

ECL retains ownership of all right, title and interest (including copyright and patent rights) in and to the intellectual property relating to Products and Services and work product relating to these. Nothing in these Conditions of Sale constitutes a transfer or conveyance of any right, title or interest in such intellectual property, including without limitation any software or firmware contained in those, except the limited right to use it as provided in the documentation. As to Products proposed and furnished by ECL, ECL shall defend any suit or proceeding brought against Purchaser so far as based on a claim that such Products constitute an infringement of any copyright, trademark or patent in the United States or Canada. This obligation shall be effective only if Purchaser shall have made all payments then due hereunder and if ECL is notified promptly in writing and given authority, information, and assistance at ECL's expense for the defense of the same. In the event the use of such Products by Purchaser is enjoined in such a suit, ECL shall, at its expense, and at its sole option, either (a) procure for the Purchaser the right to continue using such Products (b) modify such Products to render them non-infringing, or (c) replace such Products with non-infringing Products. ECL will not be responsible for any compromise or settlement made without its written consent. The foregoing states the entire liability of ECL for patent, trademark or copyright infringement, and in no event shall ECL be liable if any infringement charge is based on the use of ECL Products for a purpose other than that for which it was sold by ECL. As to any Products or Services furnished by ECL to Purchaser and manufactured or provided in accordance with designs proposed by Purchaser, the Purchaser shall indemnify ECL against any award made against ECL for patent, trademark, or copyright infringements.

14. LIMITATION OF LIABILITY

NOTWITHSTANDING ANY PROVISION OF THESE CONDITIONS OF SALE OR ANY OTHER CONTRACT DOCUMENT TO THE CONTRARY, IN NO EVENT SHALL EITHER PARTY, ITS OFFICERS, DIRECTORS, AFFILIATES OR EMPLOYEES BE LIABLE FOR ANY FORM OF INDIRECT, SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, LOSS OF PRODUCTION, LOSS OF PRODUCT, LOSS OF REVENUE, PROFITS OR LOSS OF DATA DAMAGES WHETHER SUCH DAMAGES ARISE IN CONTRACT OR TORT, IRRESPECTIVE OF FAULT, NEGLIGENCE OR STRICT LIABILITY OR WHETHER SUCH PARTY HAS BEEN ADVISED IN ADVANCE OF THE POSSIBILITY OF SUCH DAMAGES. NOTWITHSTANDING ANY OTHER PROVISION OF THESE CONDITIONS OF SALE OR ANY OTHER CONTRACT DOCUMENT TO THE CONTRARY, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE MAXIMUM LIABILITY OF ECL FOR



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DAMAGES HEREUNDER SHALL NOT EXCEED THE AMOUNTS ACTUALLY PAID BY THE PURCHASER TO ECL FOR THE WORK GIVING RISE TO A CLAIM.

15. Insurance

ECL shall maintain reasonable insurance coverage (e.g., commercial general liability, worker's compensation, automobile) in such amounts as ECL deems appropriate in accordance with industry practice. Certificate of insurance evidencing this may be provided on request.

16. Import and Export

Purchaser agrees that all Products and Services require proper compliance with import and export laws and administrative requirements including the payment of all associated duties, taxes and fees.

17. Health and Safety Compliance

Protection of employees from injury or occupational disease is a major continuing objective. ECL will at all times make every effort to provide a safe, healthy work environment that achieves compliance with all local legal requirements.

18. Witness of Tests & Factory Inspections

Normal production schedules do not provide the opportunity for Purchaser to witness routine factory tests on Products or make factory inspections. Witnessing of tests or factory inspections by the Purchaser may result in delays of production for which ECL will not be responsible and which may result in additional charges and delayed scheduling to Purchaser. Witness testing and factory inspections must be requested at time of quotation, are subject to additional costs and must be confirmed at Purchase Order entry. Standard ECL factory testing and inspection will apply. ECL will notify Purchaser fourteen (14) calendar days prior to scheduled witness testing or inspection. In the event Purchaser is unable to attend, the Parties may mutually agree on a rescheduled date. However, ECL, at its sole option, may consider the witness tests or inspection waived, and ship and invoice the Products and the witness testing charges. Purchaser will be responsible for paying for all scheduled witness testing, whether or not Purchaser attends.



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19. Fixtures and Tools

Notice will be given if special fixtures or tools are required to complete any Purchase Order. Charges for such fixtures or tools do not convey title thereto or the right to remove them from ECL's location. If patterns or tools are not used for a period of two years, ECL shall have the right to scrap them without notice.

20. Nuclear Applications

Unless otherwise agreed in writing by a duly authorized representative of ECL, Products sold hereunder are not intended for use in or in connection with any nuclear facility or activity. Purchaser hereby represents and warrants that such Products shall not be used in or in connection with any nuclear facility or activity. If so used, ECL disclaims all liability for any damage, injury or contamination; and Purchaser agrees and indemnifies ECL against any such liability, whether arising as a result of breach of contract, warranty or tort (including negligence) or otherwise.

21. Nature of Relationship

Purchaser agrees that ECL is an independent contractor and nothing in these Conditions of Sales creates between ECL and Purchaser a relationship of partners, joint venturers, or agents of each other, and no Party may so represent itself any of these manners.

22. Termination

Any Purchase Order may be terminated by the Purchaser only upon 30 days' notice to ECL and upon payment of reasonable and proper termination charges based on the price of the terminated Purchase Order and reimbursement of all costs and expenses associated with the order caused by such termination and shall include a reasonable profit. Special or custom ordered Products are not cancelable after final acceptance OR approval of drawings for the commencement of manufacturing.

23. Cancellation

ECL shall have the right to cancel any Purchase Order at any time by written notice for any material breach of these Conditions of Sale by the Purchaser, including material delays by Purchaser or its authorized representatives in releasing Products for manufacture or approval drawings and excessive changes to specifications or drawings.



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24. Amendments

No amendment, supplement, modification, waiver or termination of the Purchase Order or these Conditions of Sale is binding unless executed in writing by both parties.

25. Applicable Laws

All matters arising out of or relating to the execution, construction, interpretation or breach thereof, are to be governed by the laws of the jurisdiction in which the applicable ECL entity is located, excluding such jurisdiction's rules regarding conflicts of laws and the provisions of the *United Nations Convention on Contracts for the International Sale of Goods*. ECL agrees to bring any action claims or legal proceedings in any way pertaining to this Purchase Order, or the execution, construction, interpretation, or breach thereof in the courts of the jurisdiction specified above and in no other court or tribunal whatsoever.