

## Standard Terms and Conditions

The following General Terms and Conditions of Sale apply to all orders for equipment manufactured or sold by Colt Automation LIMITED Ltd.

### 1. Definitions

- I. *Customer* refers to the party who purchases the equipment manufactured or sold by Colt Automation LIMITED.
- II. *Conditions of Sale* refer to these General Terms and Conditions of Sale
- III. *Equipment* refers to the product and/or equipment which are the subject of the order.
- IV. *Order* refers to the written agreement between the Customer and Colt Automation LIMITED pursuant to which the Customer purchased equipment manufactured or sold by Colt Automation LIMITED, including the Quote and all other written documents forming the basis of the agreement
- V. *Purchase Price* refers to the purchase price of the Equipment as set out in the Quotation. All quotations issued by Colt Automation LIMITED for the supply of Equipment shall remain open for thirty (30) days unless another period is otherwise stated in the quotation.
- VI. *Quotation* refers to the written quotation between the Customer and Colt Automation LIMITED pursuant to which Colt Automation LIMITED gives the Customer a price quotation and the General Terms and Conditions of a prospective sale of Equipment from Colt Automation LIMITED to the Customer.
- VII. *Site* refers to the premises at which the Customer intends the Equipment to be installed.

2. **General.** The Conditions of Sale set forth herein constitute the sole and entire agreement between Colt Automation LIMITED and the Customer of the Equipment named in the Order. If the Customer objects to any of the Conditions of Sale, such objection must be made in writing and received by Colt Automation LIMITED within 5 days after placing a purchase order. The amendment of the Conditions of Sale will not be recognized unless the modification has been received in writing and has been accepted by Colt Automation LIMITED as evidenced by the signature of an authorized representative of Colt Automation LIMITED. Failure to object shall be conclusively deemed to be acceptance of the Conditions of Sale. Colt Automation LIMITED's failure to object to any terms or conditions in any oral or written communication from the Customer, whether delivered before or after the date hereof, shall not constitute an acceptance or a waiver of any terms or conditions hereof. Goods are provided pursuant to Colt Automation LIMITED's part numbers. Any Customer part numbers provided by Customer are reference only.

3. **Inconsistency.** Should any inconsistency arise between the provisions of these Conditions of Sales and those in the Order, the provisions set forth in these Conditions of Sale shall prevail, unless otherwise expressly set forth in the Order.

4. **Approval of Orders.** All orders are subject to and conditional upon approval of Customer's credit by Colt Automation LIMITED; orders shall not be binding upon Colt

Automation LIMITED unless and until the credit has been approved.

5. **Prices and Terms of Payment.** Prices and discounts are subject to change without notice. Purchase Orders will be accepted on the basis that the prices applying to them will be those in effect on receipt Purchase Order. Federal and Provincial taxes are additional if APPLICABLE. Colt Automation LIMITED reserves the right to adjust prices on any Purchase Order for any alterations or changes authorized by the customer subsequent to our acceptance of the Purchase Order. Payments should be made directly to Colt Automation LIMITED at 6175 Kestrel Rd, Mississauga, ON L5T 1Z2 The prices set forth in the Order are not subject to trade or other discounts and, except as otherwise expressly stated, do not include federal, provincial or local sales, US, goods and services excise or other similar taxes applicable to goods or services involved in this transaction. All such taxes shall be paid by the Customer, unless Customer provides Colt Automation LIMITED with evidence satisfactory to Colt Automation LIMITED of exemption from such taxes. When Colt Automation LIMITED is required by law or regulation to collect such taxes, Colt Automation LIMITED will add such taxes to the sale price of the goods or services. Any increase in Colt Automation LIMITED's cost of purchasing material or in manufacturing, selling or delivery of the Equipment resulting from any change in any fee, tax or other assessment by any applicable governmental authority between the date of the Quotation and the date of delivery of the Equipment shall be added to the Purchase Price and shall be paid by the Customer. The Purchase Price shall become due and payable by the Customer as follows:

**New Customers:** amounts less than \$5,000, payment in full will be made upon receipt of order. (i) amounts between \$5,000 and \$100,000.00, 40% -50% payment upon receipt of order and 40%-50% payment shall be net thirty (30) calendar day's from the date the equipment is shipped to the Customer, subject to approved credit information being received by Colt Automation LIMITED from the Customer. (ii) In excess of \$100,000.00, 40% of the Purchase Price shall be payable on the date the equipment is ordered, 40% of the purchase price shall be payable on or prior to the shipment date and the remaining 20% of the purchase price shall be payable within (30) calendar days following the shipment date.

**Existing Customers:** (i) amounts under \$100,000.00, payable within (30) calendar days following the shipment date. (ii) In excess of \$10,000.00, 40% of the Purchase Price shall be payable on the date the equipment is ordered, 40% of the purchase price shall be payable on or prior to the shipment date and the remaining 20% of the purchase price shall be payable within (30) calendar days following the shipment date.

6. **Overdue Accounts.** Interest of 2% per month (24% annum) will be charged on overdue accounts. No holdback of payment will be allowed unless specifically agreed in writing by Colt Automation LIMITED.

7. **Liability Clause.** Colt Automation LIMITED will not be liable for any delay in the performance or completion of any

Purchase Orders or contracts or in the delivery of such goods by reason of such delay when such delay is directly or indirectly caused by fire, floods, accidents, riots, acts of God, war invasion by the Queen's enemies, sabotage and governmental interference or embargoes, strike, labour difficulties, shortage of labour, fuel, power, materials or supplies or any other cause of causes being the company's reasonable control. Notwithstanding any other provision in this contract, or any applicable provisions, neither Colt Automation LIMITED nor the customer is liable to the other for special or consequential damage or damages for loss of use arising directly or indirectly from this contract. In no event shall the liability for any damages or loss under exceed the repairs or replacement as herein provided. Colt Automation LIMITED will not be held liable for not meeting any Pre-Start Health and Safety Reviews standards or any other future limitations and regulations issued by any government agency unless otherwise stated in writing.

8. **Delivery and Freight Costs.** Dates of delivery of the Equipment set forth in the quotation by Colt Automation LIMITED are approximate only, and under no circumstances shall Colt Automation LIMITED be held liable for any delays in manufacture or delivery or failure to manufacture or deliver due to causes beyond its reasonable control, including, but not limited to causes due to strikes, riots, fires, accidents, Government interference, embargoes, material shortage, fuel, labour, supplies or transportation or due to any cause of a like to different nature beyond control. Shipping terms are FOB point of shipment with freight prepaid and charged. Without specific instructions, the method and route of shipment is determined by Colt Automation LIMITED. No responsibility will be taken for obtaining the least expensive method of transport.

9. **Delay and/or Reschedule Caused by the Customer.** Colt Automation LIMITED reserves the right to make any change on prior notice in the specification of the Equipment which does not materially affect the installation, performance or price thereof. The Customer shall confirm or cancel any order promptly on receipt of such notice. The Customer is permitted one reschedule opportunity with no charge. A reschedule cannot extend further than forty-five (45) days for original ship date requested. Additional reschedules will be subject to ten percent (10%) penalty based on total amount of the order or portion of the order rescheduled.

10. **Title and Lien Rights.** The title to property in and ownership of the goods or any part thereof shall remain in Colt Automation LIMITED until all payments due have been fully received, cashed, except as otherwise be expressly agreed in writing. The said goods shall be and remain personal property, notwithstanding its mode of attachment to realty or other property. If default is made in any of the payments herein, Colt Automation LIMITED may retain any partial payments which have been made as liquidated damages, and Colt Automation LIMITED shall be entitled to the immediate possession of the goods and shall be free to enter the premises where the goods may be located and remove them as Colt Automation LIMITED

property, without prejudice to Colt Automation LIMITED right to recover any further expenses or damages Colt Automation LIMITED may suffer by reason of such non-payment. Notwithstanding the terms hereof, risk will pass to the customer at point of delivery of the goods.

11. **Title to and Risk in Equipment.** Title to and ownership of the Equipment shall remain with Colt Automation LIMITED and shall not pass therefrom to the Customer until the full Purchase Price shall have been received by Colt Automation LIMITED. The Equipment shall be at the risk of the Customer from the time of deliver to the carrier, after which Colt Automation LIMITED shall not be responsible for damage or loss to the Equipment.

12. **Penalty Clauses.** Colt Automation LIMITED will not accept any liability for penalty clauses of any kind, written or implied, unless specifically approved in writing by Colt Automation LIMITED.

13. **Scope of Products and Services.** Under no circumstances will Colt Automation LIMITED be responsible for providing any products or services other than those expressly described in the Order, unless Colt Automation LIMITED agrees to do so in writing, signed by an authorized representative of Colt Automation LIMITED.

14. **Cancellation.** An Order made pursuant to a Quotation may not be cancelled without the written consent of Colt Automation LIMITED. In the event of cancellation, the Customer shall be liable for all expenses incurred by Colt Automation LIMITED in respect of the completed or partially completed Order up to the date of cancellation. The Customer will pay Colt Automation LIMITED the aggregate of the portion of the Purchase Price attributable, under the sole judgement of Colt Automation LIMITED, to any Equipment that is complete and ready to be shipped to the Customer prior to receipt of the notice of termination by Colt Automation LIMITED, as well as any costs or expenditures incurred in connection with the uncompleted portion of the Order, including, but not limited to reasonable cancellation charges and amounts paid by Colt for Equipment on account commitments made under the Order, as well as the estimated profits of Colt Automation LIMITED on the uncompleted portion of the Order, as determined by Colt Automation LIMITED in its sole judgement, acting reasonably.

15. **Contract Agreement.** Terms and Conditions of Sale applicable are the company's terms and conditions. Colt Automation LIMITED will not recognize conflicting customer's terms and conditions unless specifically agreed to in writing by Colt Automation LIMITED. Any amount owing becomes due and payable immediately in case of change of ownership, attachment, or execution against the customer/purchaser or its representatives and/or executives and/or successors, unless Colt Automation LIMITED otherwise agrees.

16. **Acceptance and Equipment.** The Customer shall inspect Equipment promptly upon the receipt. Unless the Customer notifies Colt Automation LIMITED in writing within twenty-four (24) hours after the receipt of Equipment of any claim

that the Equipment does not conform to the Order the Customer shall be deemed to have accepted the Equipment.

17. **Default.** In the event of default by the Customer in the payment of the Purchase Price when due, or insolvency, bankruptcy or receivership proceedings being invoked by or against the Customer prior to payment of the Purchase Price has been made in full, the entire Purchase Price shall become immediately due and payable and Colt Automation LIMITED shall have the right, in addition to any other rights and remedies it may have in law or in equity, to enter the Site

18. **Product Safety.** It is the responsibility of the Customer to use the equipment in accordance with sound safety practices and in compliance with all applicable safety standards and regulations. Where appropriate, a safety study should be made of the Equipment by a professional engineer in compliance with PSR regulations. Only the Equipment set out in the Order will be supplied to the Customer, additional Equipment can be purchased separately by the Customer at the Colt Automation LIMITED's current prices applicable to same.

19. **Warranty.** Colt Automation LIMITED warrants that the Equipment manufactured shall be free from defects in material and workmanship for a period of one (1,2,3) year(s) from the shipment date unless otherwise stated herein or in the order acknowledgement delivered to the Customer. Colt Automation LIMITED warranties will not apply to any Equipment with respect to which there has been (i) improper installation or testing, (ii) failure to provide a suitable operating environment, (iii) unauthorized attachment or removal or alteration of any part of the Equipment, (iv) unusual mechanical, physical or electrical stress, (v) any other abuse, misuse, neglect or accident. In no circumstance shall Colt Automation LIMITED have any liability or obligation with respect to expenses, liabilities or losses associated with the installation or removal of the Equipment or the removal of any components for inspection, testing or redesign occasioned by any defect or by repair or replacement of the Equipment

20. **Installation.** Unless otherwise expressly stated in the Order, the Customer shall be responsible for all installation relating to the Equipment. If Colt Automation LIMITED agrees to provide delivery and/or installation of any Equipment under the terms and conditions of the Order (i) The Customer shall be responsible for the unloading and storage of all materials at the Site; (ii) All alternations to the Site necessary to facilitate the installation shall be the Customer's sole responsibility; (iii) The Customer shall ensure that the Site is clear and ready for installation; (iv) The Customer shall furnish any and all lifting equipment and personnel required for the assembly, erection and installation of the Equipment as per the Order. (v) The Customer shall be responsible and agree to pay all travel charges for Colt personnel from Colt Automation to the Customer installation location. The contract installation pricing includes all per diem charges, ground transportation and accommodation. The Terms and Conditions of Sale for Installations are as follows:

I. **Price.** Installation shall be charged by time, in accordance to current pricing, unless a lump-sum price has been expressly agreed. Any prices quoted for installation are applicable for services provided during business days only (Monday through Friday, 8:00am to 4:00pm, excluding weekends and Canadian statutory holidays). Any services requested outside of these hours will be subject to additional charges as per Colt Automation LIMITED's overtime rates. Travel and waiting times shall be deemed to constitute working time. The customer shall be required to certify at the conclusion of work, and in cases of installation lasting several days on a daily basis, the working time and the services carried out. We base the issue of the invoice a signed Work Order by a representative of the Customer at the Site of the installation to evidence the working time completed.

II. **Terms of Payment.** Colt Automation LIMITED installers and representatives are not entitled to receive payment. The installation price is due for payment after acceptance and on the receipt of our invoice. Payments are to be processed without deductions

III. **Scope of Services.** Not included under the installation services, although potentially capable of agreement in individual contracts, is the dismantling of machines or parts, cleaning and other preparatory work, the reassembly of the machines after the conclusion of the contractual installation service, and the operating of the machines at test runs. Changes in the performance of installation (moment of time, duration, scope) in relation to agreements reached previously are to be notified to us by the Customer in writing, and are to be agreed by Colt Automation LIMITED.

IV. **Deadlines and Delays.** Non-binding installation deadlines or binding installation deadlines may be agreed. If a binding deadline is agreed, the deadline shall be deemed to have been met if, by the time of its expiry, it is possible for the Customer to carry out a test run. In the event of the installation deadline proving impossible to meet due to circumstances beyond our control, the installation deadline shall be extended accordingly. This shall also apply if we fall into delay in the performance of the installation work. Costs incurred by a delay in installation for reasons not attributable to us, in particular waiting times and additional travel required by our installers shall be the responsibility of the Customer.

V. **Cooperation:** The Customer is to grant access to our installers at the Site. The customer shall carry out all preparatory work at the installation location and fulfill all the eco-operation obligations described hereinafter in sufficiently good time for our installers to be able to begin installation forthwith after arriving at the customer's premises as contractually agreed, and to do so without hindrance, as well as being able to complete this without delays. The Customer shall provide the devices required as well as electrical connections, lighting, water and heating.

VI. **Safety.** The Customer shall be required to take the measures required for the protection of personnel and objects at the installation Site, and to advise our installation team in good time prior to the commencement of installation work if any special

safety regulation which may pertain, such as may be of significance to the installation personnel. The Customer shall carry out the safety instruction and training necessary, and shall advise us of any contraventions on the part of the installation personnel against such safety regulations. The Customer shall be required to provide the ancillary personnel required, to provide insurance in accordance with the provisions of the law, and to meet the costs for the ancillary personnel as well as for all other co-operation procedures.

**VII. Acceptance.** The Customer shall be obliged to carry out acceptance of the installation as soon as the conclusion of the installation is notified and if contractually agreed, a test run has been carried out. Provided that no major defect of deficiency pertains, the customer cannot refuse to carry out acceptance. In the event of delay in acceptance for reasons not attributable to us, acceptance shall be deemed to have been affected after the expiry of two weeks from notification of completion of installation. In the event of installation not being able to be carried out, or not completely, for reasons not attributable to us. The customer shall reimburse us for services already provided by the seller, as well as for expenses incurred.