Kontron Canada Systems Inc
2880 Marleau Ave.
Cornwall ON, Canada
K6H 6B5

Terms and Conditions of Purchase Agreement with Kontron Canada Systems Inc.

1. **THE CONTRACT -** The contract shall be comprised of the following terms and conditions; including any documents, drawings or specifications incorporated therein by reference, and any additional terms stated on the face of the Buyer's purchase order. The "Purchase Order", shall constitute the entire agreement between the parties. This contract shall be binding upon Seller's notice of acceptance, or upon commencement of performance of the Purchase Order. The Contract may not be modified, supplemented or waived; except in writing and executed by an authorized representative of either party.

2. **PRICING -** Prices set forth on the Purchase Order shall remain fixed for the duration of this agreement, except as provided herein.

3. **PACKING AND SHIPMENT -** The Seller shall ensure that:

   a) Itemized packing slips, showing the relevant purchase order number(s) and Buyer part number(s) in a conspicuous manner, accompany each shipment of the Product and are solidly affixed on the exterior of the package;

   b) All shipments of the Product are made in accordance with all relevant laws, including those relating to dangerous goods and Workplace Hazardous Material Information Systems (WHMIS). Without limiting the foregoing, the Seller shall ensure all shipments are made with all labels and accompanying documentation required by law, including where applicable a duly completed Safety Data Sheet (SDS). All product and packaging will be marked in accordance with international marking regulations.

   c) All shipments of the Product are made in accordance with accepted industrial packaging standards, pallet standards, standard packaging quantities and as otherwise specified on the face hereof. Without limiting the foregoing, the Seller shall ensure that all pallet load shipments of the Product are strapped or stretch-wrapped in a manner sufficient to maintain the integrity of the load; and

   d) All packing materials used in connection with the Product are non-toxic and otherwise safe to use and handle and are constructed of the most "environmentally friendly" materials reasonably available.

3.2. Unless otherwise arranged, the Seller shall route all shipments according to the transportation instructions set forth on the face hereof or as otherwise directed by Supply Chain Management. The Seller shall not ensure shipments or declare a value on shipping documentation unless specifically authorized by the Buyer. The Seller shall consolidate orders where reasonable and over pack multiple piece orders to reduce loss, damage, and shipping costs.

3.3. For goods imported into Canada, the Seller shall provide to Buyer-appointed Customs Agent a Commercial Invoice, a Certificate of Origin, and/or all other documentation required by applicable laws, including without limitation any applicable international trade agreements, complete with purchase order number(s) and Buyer part number(s).

3.4. For suppliers instructed to use the A.N. Deringer Consolidation hub operations, the ship to address is Kontron Canada Systems Inc. c/o A.N. Deringer Logistics 800 Proctor Avenue, Ogdensburg, New York 13669 USA. This is a routing only the freight is consolidated at this location for entry and import into Canada. A Commercial Invoice is required. The CI must include the following mandatory information, Purchase Order Number, Part Number, Description, Quantity, Unit Value, Unit of Measure, Extended Value, Currency of Sale, and Country of Origin (Manufacture) by line item. A Nafta Certificate of Origin for eligible dutiable items is required. A packing slip must be attached to the freight. The Kontron Canada Systems Inc. A.N. Deringer US domestic UPS Account 03E4A0 must be used. The service levels available are: Next Day Air, 2 Day Air, 3 Day Select, and Ground 3-7 days transit depending on point of origin. The service level selected should correspond with the dock date provided on the purchase order. Do not declare a value for carriage Kontron Canada Systems Inc. is self-insured and does not require additional coverage from the Carrier. This consolidation site is subject to per package pricing; the supplier is encouraged to use over-packaging for multi-unit shipments.

3.5. Failure of the Seller to administer the transportation instructions set forth on the face or as directed by Supply Chain Management shall result in the charge back to the Seller of the excessive costs incurred and $20.00 USD handling fee by the Buyer.

4. **DELIVERY -** Deliveries shall be in strict accordance with the schedule set out; or referred to, in the Purchase Order, and in the exact quantities ordered; except where quantity variances have been agreed upon by the Buyer. The Seller shall be liable for any direct costs or penalties; including liquidated damages incurred by the Buyer as a result of the Seller's failure to meet the delivery schedule, or shipment to an incorrect location: The Seller will be charged all freight charges associated with reshipment.

5. **ACCEPTANCE -** All items are subject to Buyer's inspection and test before final acceptance at Buyer's premises. Buyer shall have the right to reject or require the correction of any item found to be defective or non-conforming; and at the Buyer's request, any defective item shall be immediately replaced and corrected by Supplier. Buyer reserves the right to charge Seller for expenses of inspection for goods that do not conform to this Contract.

5.1. Kontron Canada Systems Inc. Date Code Policy

The date code policy is present on all Purchase Orders and Quote Letters.

- 0 to 5 years: Accept purchase
- 2 years and older will be subject to Solder testing at Kontron Canada Systems Inc.
- C of C to include Date code and or LOT code, and all ROHS status required in all cases

Date Codes must be identified. Maximum of two Date Codes per reel.

5.2. AVL / MPN compliancy

Seller must comply with all listed AVL/MPN listed on PO's. Any deviations must have written approval from buyer.

6. **WARRANTIES -** Seller warrants that the goods supplied shall be free from defects in materials, workmanship, and design. Goods will conform to any specifications and/or drawings from Buyer, and to all applicable industry codes and standards, for a period of 12 months from the date of initial operations of the goods

7. **CHANGES -** Buyer may; at any time, by written notice, make changes within the general scope of the Contract to drawings and specifications, shipping instructions, quantities, and delivery schedules. Should any change decrease or increase the cost of; or the time required for performance of this Contract, an equitable adjustment in the price and/or delivery schedule may be made. Any claims for adjustment by Seller must be made within 30 days from the date of the change in order, or within such additional period of time; as may be agreed upon, provided that any such claims shall not delay Seller's performance.

8. **TITLE AND RISK OF LOSS -** Unless otherwise provided in this Contract, Seller shall have title to and bear the risk of any loss of or damage to the goods, until they are delivered in conformity with this Contract at the F.O.B. point specified in the Purchase Order, and upon such delivery, title shall pass from the Seller and the Seller's responsibility for loss or damage shall cease; except for loss or damage, resulting from Seller's negligence or failure to comply with this Contract. Passing of title upon such delivery shall not constitute acceptance of goods by the Buyer.

9. **COMPLIANCE -** Seller shall comply with all national, province, and local laws and regulations governing the manufacture, transportation, or sale of items in the course of this Contract.

10. **CUSTOMER ACCESS –** Seller shall allow access to its facilities and to any records relating to the Contract by Buyer and its customers

11. **RIGHT OF ACCESS CLAUSE -** The supplier shall grant the right of access to the purchaser, their customer, and regulatory authorities to the applicable areas of all facilities, at any level of the supply chain, involved in the order and to all applicable records. This access is to ensure compliance with contractual requirements, quality standards, and regulatory obligations.

12. **TERMINATION –** Buyer may suspend or cancel all or part of the Contract upon notice to Seller and shall have no further liability to Seller; except: Cost of labour and materials incurred through the termination date. Reasonable termination costs approved by Buyer

13. **NON-DISCLOSURE –** In the course of Seller's performance of this Contract, Seller may acquire knowledge (both oral and in writing) regarding confidential affairs of Buyer and confidential or proprietary information, including

    Matters of technical nature; such as know-how, formulas, trade secrets, secret processes or machines, inventions and research projects; and
    Matters of a business nature, such as: information about costs, profits, pricing policies, markets, sales, suppliers, customers, plans for future development, plans for future products, marketing plans or strategies, and other information of a similar nature, which is not generally disclosed by Buyer to the public. Since Buyer desires to keep this information confidential, and to prevent its disclosure to competitors and to the general public, Seller agrees: a) that it will keep secret and retain in the strictest confidence all such confidential information: b) that it will not disclose this information to anyone, expect employees of Buyer authorized to receive such information, and: c.) that it will not use any confidential information for any purpose, except to perform this Contract

14. **INDEMNITY –** Seller shall indemnify buyer and hold it harmless from all liability or claims of liability, cost and expenses; including attorney's fees, for bodily injury (including death) or property damage, arising out of, or related to this Contract, as it may apply to Seller's product

15. **PAYMENT TERMS –** Payment shall be made according to agreed terms, after submittal of a correct invoice for work performed or goods received, unless otherwise agreed upon in writing and duly authorized by both parties.

16. **COMMUNICATION OF ADDITIONAL REQUIREMENTS -** Additional specific requirements may be requested based on the details outlined in the Purchase Order (PO). These terms and conditions are intended to be aligned with the PO information. In cases where discrepancies or contradictions arise, they must be promptly clarified with the purchaser, such as, but not limited to:
    - Packaging Specifications
      e.g., type of packaging material, labeling format, pallet configuration, tamper-evident seals.
    - Shipping Instructions
      e.g., preferred carriers, delivery windows, incoterms, temperature control requirements.

- Documentation Requirements
  e.g., certificates of conformity, inspection reports, MSDS (Material Safety Data Sheets), customs documentation.
- Quality Assurance Criteria
  e.g., sampling plans, inspection levels, acceptance criteria, traceability requirements.
- Regulatory Compliance
  e.g., REACH, RoHS, FDA, CFIA, or other applicable standards.
- Product Identification
  e.g., barcode formats, serial number labeling, lot/batch tracking.
- Special Handling Instructions
  e.g., fragile items, hazardous materials, orientation labels.
- Supplier-Specific Terms
  e.g., warranty conditions, return policies, service level agreements.
- Packaging Specifications
  e.g., type of packaging material, labeling format, pallet configuration, tamper-evident seals.
- Shipping Instructions
  e.g., preferred carriers, delivery windows, incoterms, temperature control requirements.
- Documentation Requirements
  e.g., certificates of conformity, inspection reports, MSDS (Material Safety Data Sheets), customs documentation.
- Quality Assurance Criteria
  e.g., sampling plans, inspection levels, acceptance criteria, traceability requirements.
- Regulatory Compliance
  e.g., REACH, RoHS, FDA, CFIA, or other applicable standards.
- Product Identification
  e.g., barcode formats, serial number labeling, lot/batch tracking.
- Special Handling Instructions
  e.g., fragile items, hazardous materials, orientation labels.
- Supplier-Specific Terms
  e.g., warranty conditions, return policies, service level agreements.