

## STANDARD TERMS & CONDITIONS OF SALE

1. **CONFIRMATION OF PURCHASE ORDER:** These Standard Terms and Conditions of Sale (“**Sale Terms**”) are delivered concurrently with, attached to, and form an integral part of, the attached customer confirmation accepting the purchase and sale of goods and (if applicable) services (the “**Confirmation**”) as well as any invoice issued by Humphrey Automation Inc. (as “**Seller**”) in connection therewith (each an “**Invoice**”) and resulting from the purchase order, quotation or similar communication (a “**Purchase Order**”) issued by the Seller’s customer listed in the Confirmation and / or Invoice, as applicable (the “**Buyer**”) to Seller. Unless otherwise expressly agreed in writing by Seller, these Sale Terms shall expressly govern the purchase and sale of goods and services between Buyer and Seller referred to in the Confirmation and any related Invoice and shall expressly supersede and rank paramount over any other purchase and sale terms and provisions which Buyer may purport to issue or impose upon Seller in connection with its Purchase Order or otherwise (including, without limitation, any purported modification, amendment or variation of these Sale Terms). To the extent of any conflict or inconsistency between these Sale Terms and the terms of any Confirmation or Invoice issued by Seller, these Sale Terms shall govern, prevail and rank paramount. The terms of such Confirmation or Invoice are expressly incorporated herein by reference and form an integral part of these Sale Terms.

2. **ACCEPTANCE:** Seller expressly reserves the right to reject in whole or part, amend, modify or vary any Purchase Order and no binding agreement shall arise between Buyer and Seller unless and until Seller issues to Buyer a Confirmation and then only to the extent of the provisions contained in such Confirmation and these Sale Terms.

3. **DELIVERY AND DELAYS:** Delivery dates are not guaranteed but are estimated on the basis of immediate receipt by the Seller of all information to be furnished by the Buyer and the absence of any events of force majeure or other delays, direct or indirect, resulting from or contributed to by circumstances beyond Seller’s reasonable control. The Seller will use reasonable commercial efforts to meet any estimated delivery dates. Seller shall not be liable for any delays, damage, loss of goods in transit or inability to supply goods or services for any reason at any time. In the event of any delay in Seller's performance due to acts of God, fire, explosion, strike, shortage of material or labour, delay in transportation, breakdown, or accident, compliance with or action taken to carry out the intent or purpose of any law or regulation, or any other cause or thing beyond Seller's reasonable control, Seller shall have such additional time within which to perform its obligations hereunder as may be reasonably necessary under the circumstances and Seller shall additionally have the right to reallocate its production activities among its customers in such manner as it may reasonably determine in light of the anticipated severity and duration of such delays. Seller shall not be responsible for the installation of any goods.

4. **SHIPPING AND PLACE OF DELIVERY:** Delivery is deemed to take place once goods are shipped to Buyer from Seller’s warehouse in **Markham, Ontario, Canada** unless otherwise specified in writing by Seller in the Confirmation to the Buyer (the “**Delivery Location**”). Seller shall be solely responsible for all shipping, freight, transportation, bonding, insurance and any and all other delivery costs once goods are deemed delivered from the Delivery Location. Seller will ship all goods by the most economical route unless otherwise instructed in writing by Buyer before deemed delivery hereunder. Except as otherwise specified in the Confirmation, the Buyer shall be

solely responsibility to provide interlocks, guards and other safety devices and procedures to protect its own employees and contractors (including, without limitation, the operator and/or repairman of any goods) in connection with any delivery, installation, operation and/or use of the goods sold hereunder. All risk of loss or damage of any nature or kind whatsoever shall remain with Buyer from and following the time of shipment at the Delivery Location.

**5. INSPECTION & RECEIPT:** All goods delivered hereunder must be inspected by the Buyer at and from the Delivery Location. All claims for shortages or for any other cause must be reported to Seller and/or to the carrier within one (1) calendar day after receipt with packing slip attached. If the Buyer receives goods hereunder and takes possession of same without inspection, Buyer shall be irrevocably deemed to have unconditionally accepted such goods and waived its rights to inspect such goods and/or file claims with the Seller. No deductions of any nature will be honoured unless a credit memorandum covering the same has been previously issued by Seller's accounting department or otherwise authorized in writing. Goods shipped to the Buyer may be returned to the Seller for credit only upon the Seller's written consent and the payment to Seller of a minimum restocking charge of fifteen percent (15%) and then only if goods are in new and resalable condition.

**6. ORDER CHANGES/MODIFICATIONS:** Once accepted by Seller, no specifications or other details of any Confirmation may be changed, modified or varied by the Buyer without the prior written consent of Seller. Seller reserves the right, in connection with any written approval by it hereunder of any requested changes, modifications or variations of the Buyer, to increase the purchase price of such Confirmation to reflect any such changes, modifications or variations so approved of by Seller hereunder. The Seller (and its manufacturers) reserve the right to make any changes in product specifications and designs and are not liable for any delay, inconvenience, loss or damage that is or may be suffered by Buyer in connection with such specifications or design changes.

**7. ORDER CANCELLATIONS/DELAYS:** Notwithstanding any other provision contained herein, following delivery by Seller of any Confirmation Buyer shall not be entitled to cancel, delay or defer such Confirmation, either in whole or part, except with the prior written consent of Seller and, absent such prior written consent, Buyer shall be absolutely required to accept and fully pay for all goods and services ordered and delivered hereunder in accordance with these Sale Terms. Seller reserves the right, in its sole discretion, to increase the purchase price of such Confirmation and/or to assess the Buyer for any reasonable additional charges or fees in connection with any such cancellation, delay or deferral of such Confirmation that may be agreed to in writing by Seller hereunder.

**8. PRICE AND PAYMENT:** Prices are exclusive of and do not include any shipping, freight, insurance, any applicable federal, state, provincial, municipal, value added, harmonized sales and/or other taxes of any nature or kind, any duties or any brokerage fees, all of which are the sole responsibility of the Buyer. Seller expressly reserves the right at all times and without notice to Buyer to change its prices for any ordered products set forth in any Confirmation. Terms of payment shall be net 30 calendar days unless otherwise stated in these Sale Terms or in any other writing made by Seller and delivered to Buyer. A late payment charge of one and one half percent (1.5%) per month shall be added to past due accounts and in the event any account is placed for

collection with an attorney or a collection agency. Buyer shall pay all costs and expenses incurred by Seller in connection with any such collection. Seller may require full payment guarantee in advance of shipment whenever, in its reasonable opinion, same is required.

**9. TITLE RETENTION/SECURITY FOR PAYMENT:** Until all goods and services set forth in the Confirmation and any Invoice are paid in full (together with all charges, costs, interest and other applicable expenses), title to such goods shall be expressly retained by and reserved to the Seller to the fullest extent permitted at law. Furthermore, as general and continuing security for the payment in full of the purchase price for the goods delivered by the Seller to the Buyer hereunder, the Buyer hereby grants to Seller a continuing security interest in the goods delivered by the Seller to the Buyer hereunder. The parties acknowledge that value has been given, that the Buyer has rights in the goods and the parties have not agreed to postpone the time for attachment of the security interest created and granted hereby. The security interest created hereby shall be operative as a present, attached, fixed and specific assignment, mortgage and charge of and security interest in such goods and shall not be interpreted or construed as a floating charge. No goods furnished by the Seller shall become a fixture by reason of being attached to any real property. The Buyer expressly authorizes the Seller to file any financing statement (or similar document) to perfect the security interest granted hereunder by the Buyer to the Seller under applicable personal property security legislation in the Buyer's jurisdiction and/or the jurisdiction where the goods will be physically located and/or used by the Buyer. In case of any default in payment, the Seller and/or its agent is fully authorized by the Buyer hereunder to forthwith take possession of and remove the goods from the Buyer's premises or elsewhere without any prior demand or notice of any kind (except as may be required by law). In connection with such removal of the goods, the Buyer waives all rights of action for trespass or other cause thereof. The Buyer shall be fully responsible for all costs relating to the collection, repossession and/or storage of such goods.

**10. CREDIT VERIFICATION AND CANCELLATION:** All Confirmations are expressly subject to approval by the Seller of the Buyer's credit in writing and the Seller reserves the right to cancel and terminate any Confirmation at any time if the Buyer's credit is not satisfactory for any reason whatsoever. Seller further reserves the right to cancel and terminate any Confirmation at any time on written notice to Buyer.

**11. WARRANTY:** The Buyer shall be entitled to the benefit of the attached manufacturer's product warranty ("**Manufacturer's Warranty**") in respect of the goods and products set forth in the Confirmation or Invoice relating to these Sale Terms. **A COPY OF SUCH MANUFACTURER'S WARRANTY IS CONTAINED ON SELLER'S WEBSITE LOCATED AT [WWW.PNEUMATION.CA](http://WWW.PNEUMATION.CA) AND BUYER IS ADVISED TO VISIT SELLER'S WEBSITE TO OBTAIN SUCH COPY FOR ITS OWN RECORDS.**

**12. LIMITED LIABILITY:** Except as detailed in such Manufacturer's Warranty, Seller does not provide Buyer with any additional or separate product warranty in respect of any goods or products purchased from Seller by Buyer. **ADDITIONALLY, SELLER MAKES NO OTHER WARRANTIES OR CONDITION, EXPRESS OR IMPLIED, AND ANY IMPLIED WARRANTY OF MERCHANTABILITY OF FITNESS FOR A PARTICULAR PURPOSE WHICH EXCEEDS THE FOREGOING MANUFACTURER'S WARRANTY IS HEREBY EXPRESSLY DISCLAIMED BY US AND EXCLUDED FROM THESE SALE TERMS.** Seller

shall not be liable for any consequential damages, loss, or expenses arising in connection with the use or the inability to use the products for any purpose whatever. Seller's maximum liability shall not, in any case, exceed the cost of replacing defective parts if returned to Seller within one (1) year from date of shipment. No salesperson, manufacturer's representative or other person may make or has the authority to make any guarantees or warranties expressed or implied on behalf of the Seller that are inconsistent with these Sale Terms. The remedies contained above in this paragraph shall constitute the sole recourse of the Buyer against the Seller for breach of any of the Seller's obligations under these Sale Terms. The Seller shall not be liable for failure to perform its obligations under the sales contract resulting directly or indirectly from or contributed to by acts of God, acts of the Buyer, civil or military authority, priorities, fires, strikes or other labour disputes, accidents, floods, epidemics, war, delays in transportation, lack of or inability to obtain raw materials, components, labour, fuel or suppliers or other circumstances beyond the Seller's reasonable control, whether similar or dissimilar to the foregoing.

**13. DRAWINGS AND INTELLECTUAL PROPERTY, ETC.:** All dies, jigs, fixtures, drawings, descriptive material, and other particulars furnished by the Buyer and all descriptive matter and illustrations contained in the Seller's catalogues, price lists, specification sheets, etc., are intended merely to present general descriptions or instructions for the installation of the goods and do not form part of the Confirmation or these Sale Terms. All dies, jigs, fixtures, drawings, descriptive matter and other particulars furnished by the Seller in connection with the Confirmation shall remain the sole and exclusive property of the Seller. The Buyer shall return all such materials to the Seller upon demand and the Buyer shall not permit the same to be copied, published or given to any persons without the Seller's prior written consent. The Seller reserves the right to amend all dies, jigs, fixtures, drawings, descriptive material and specifications when necessary. All intellectual, industrial and/or proprietary rights (collectively, the "IP Rights") of the Seller in and to the goods or services sold hereunder or any components relating to same created, authored and/or developed, directly or indirectly, by the Seller shall remain the sole and exclusive property of the Seller and no proprietary interest in any such IP Rights is hereby granted, assigned and/or conferred by Seller to Buyer whatsoever.

**14. GOVERNING LAWS:** The Confirmation, Invoice and these Sale Terms set forth herein shall be governed by and construed and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties hereby irrevocably attorn, submit and consent to the jurisdiction of the courts of the Province of Ontario with respect to any matter arising under or related to the Confirmation and Invoice delivered hereunder and these Sale Terms. Seller and Buyer expressly confirm that application of the United Nations (UN) Convention on Contracts for the International Sale of Goods (CISG) is expressly excluded from these Sale Terms and the relationship of the parties in connection therewith.

**15. LIMITATION ON ACTIONS:** Buyer must commence any formal legal claim, action or suit against Seller in connection with any Confirmation or Invoice relating to the sale of goods contemplated under these Sale Terms within 12 months of the date of deemed delivery from the Delivery Location hereunder.

**16. CURRENCY:** Unless otherwise stated in writing by Seller, all prices for goods and services of Seller sold to Buyer hereunder are quoted and payable in Canadian dollars.

17. **DOCUMENTATION:** Seller's standard packing slip listing all shipped contents will be included in all shipments to Seller hereunder.

18. **GENERAL:** Any notice, document or other communication required or permitted by these Sale Terms to be given by a party hereto shall be in writing and is sufficiently given if delivered personally, or if sent by prepaid ordinary mail posted in Canada, or if transmitted by any form of telecommunication. Notice so mailed shall be deemed to have been given on the third (3<sup>rd</sup>) business day (excluding weekends and statutory holidays in Ontario) after deposit in the post office or public letterbox. Notice transmitted by a form of recorded telecommunication or delivered personally shall be deemed given on the day of transmission or personal delivery, as the case may be. The parties hereto acknowledge and agree that their respective obligations hereunder are to remain in effect until fully performed (or for such lesser period of time as may be specified hereunder) and survive the termination of these Sale Terms and will continue to apply notwithstanding the manner or reasons for the termination with or without notice. The failure of either party to require the performance of any term or condition of these Sale Terms, or the waiver by either party of any breach of these Sale Terms, shall not prevent a subsequent enforcement of any such term or any other term nor shall it be deemed a waiver of any subsequent breach. Each of the provisions of these Sale Terms is severable from every other provision hereof. If any provision contained in these Sale Terms or the application thereof to any circumstances shall be invalid, illegal or unenforceable, in whole or in part, for any reason whatsoever, in any jurisdiction and to any extent, such provision shall be severed from these Sale Terms and ineffective to the extent of such invalidity, illegality or unenforceability in such jurisdiction and in such circumstances and the remaining provisions of these Sale Terms shall nevertheless remain in full force and effect. These Sale Terms form the complete agreement between parties with respect to the subject matter hereof and supersedes any and all negotiations or understandings previously existing with respect to the subject matter addressed herein. Any modification, amendment or variation of these Sale Terms may only be made by written instrument executed by all of the parties hereto. The parties hereto agree to do all such further acts and things and to execute all such further documents as may reasonably be necessary or desirable to give full effect to these Sale Terms. These Sale Terms are not assignable by the Buyer except with the prior written consent of the Seller. The Seller may assign the benefit of these Sale Terms to any related company or other related legal entity or purchaser or successor to Seller's business without consent from the Buyer. These Sale Terms shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, assigns and legal and personal representatives. These Sale Terms (and the related Confirmation and Invoice) may be executed and/or delivered in several counterparts and by facsimile or ".pdf" format, each of which so executed shall be deemed to be an original, and such counterparts together shall constitute but one and the same instrument. The parties hereto shall be independent contractors to each other and no agency, partnership, joint venture, fiduciary, employment or other legal relationship is hereby created. The parties have requested that these terms and conditions and all documents contemplated thereby or relating thereto be drawn up in the English language. Les parties ont requis que cette Convention ainsi que tous les documents qui y sont envisagés ou qui s'y rapportent soient rédigés en langue anglaise. The Buyer hereby agrees to defend and indemnify Seller and hold it harmless from and against all claims, suits and actions asserted or instituted against Seller by any person arising out of the acts or omissions of Buyer

relating to any use, operation, repair or maintenance of the goods sold hereunder. Time shall be of the essence of these Sale Terms.