

Date: December 2019

TERMS AND CONDITIONS OF SALE

1. GENERAL: The terms and conditions of sale contained herein (the “**Terms and Conditions**”) apply to all quotations made and all purchase orders (the “**Purchase Orders**”) entered into by Accelerated Systems Inc. (“**ASI**”) and the buyer named in such Purchase Order (the “**Buyer**”). ASI’s acceptance of any Purchase Order by confirmation or commencement of performance shall be on the basis of the Terms and Conditions. The Terms and Conditions constitute the entire agreement between ASI and the Buyer. No terms or conditions contained in any proposal, acknowledgement or other writing, whether or not such terms or conditions conflict with the Terms and Conditions, shall have any effect and only the Terms and Conditions shall apply, provided, however, that if the parties enter into a supply agreement, the terms of such supply agreement shall apply in the event of any conflict with the Terms and Conditions applicable to the Purchase Order. A supply agreement will take effect only upon its full execution by duly authorized representatives of the Buyer and ASI.

2. ACCEPTANCE OF ORDERS – The Buyer agrees to obtain from ASI the product (the “**Product**”) as set forth in the Purchase Order, which Product may include, without limitation, certain motor controllers, apps, software, motors, displays, pods and accessories. Purchase Orders from the Buyer are subject to acceptance by ASI, and ASI reserves the right to accept or reject any Purchase Orders in whole or in part. All Purchase Orders for Product must include:

- The Buyer’s Purchase Order number
- Complete bill-to and ship-to address
- The Purchasing agent or the Buyer’s name and title
- Contact information
- A complete description of the Product being ordered
- ASI’s part number and quoted price and quantity.

Unless otherwise confirmed with ASI in writing, Buyer agrees to pay a non-refundable deposit of thirty (30) percent. Unused deposits are forfeited after two years. ASI will endeavor to provide an order confirmation with projected delivery dates for Product to Buyer within 10 business days after receipt of the Purchase Order, however, such confirmation will not be provided unless the full deposit amount has been received by ASI.

3. PRICES – Prices are quoted in US\$ and ExWorks (EXW), ASI named place according to Incoterms 2010 unless otherwise quoted and confirmed. Prices for Rush orders requiring spot buys will be quoted separately.

Prices are subject to change in the event of an increase in ASI’s costs including, but not limited to, increases in components, base metal, manufacturing, transportation, duty, brokerage and other direct costs. Normally, ASI will provide the Buyer with 30 days’ written notice of any price changes, however, ASI reserves the right to make price changes without notice.

4. TAXES – Prices are exclusive of, and the Buyer shall pay, all present or future taxes, duties, tariffs, levies or fees, or other similar charges imposed on ASI or on the Buyer by any taxing authority (other than taxes imposed on ASI’s income) related to the Buyer’s Purchase Order. Buyers who are tax exempt must provide a valid tax exempted certificate concurrent with their Purchase Order.

5. TITLE AND TRANSPORTATION – ASI will inform Buyer when Product will be delivered to ASI’s named place. Title passes to the Buyer when Buyer picks up the Product from ASI’s named place. Buyer bears all risks and costs after title transfer. ASI has no obligation to load the Product or clear Product for export. All risks of damage, loss or destruction of the Product shall pass with title to the Product.

6. DELIVERY – Delivery dates are approximate and are based on prompt receipt from the Buyer of all necessary information. ASI reserves the right to make partial shipments. ASI will not pay for any penalty or damage, whether liquidated or otherwise, for late delivery. Freight charges are the responsibility of the Buyer, unless otherwise agreed to in writing. ASI reserves the right to charge Buyer a penalty if Product is not picked up within five (5) days of confirmed delivery date.

7. LEAD TIMES – The Buyer shall endeavour to provide ASI with a six-month rolling demand forecast for released Product. Firm Purchase Orders for released Product are required a minimum of twelve (12) weeks prior to the requested delivery date. Product delivery lead times will vary due to a number of factors including manufacturing capacity, physical stock availability and location, component availability and the accuracy of the Buyer’s Product demand forecast provided to ASI. ASI will confirm current lead times with the order confirmation.

8. COLLECTION OF GOODS AND LIMITS OF INVENTORY HELD – The Buyer must collect all ASI goods when the goods are ready for collection. Failure from the Buyer to collect goods within 3 months gives ASI the right to redistribute them to other customers. ASI reserves the right to apply the order deposit against any losses or liquidation damages suffered by ASI as a result as non COLLECTION OF GOODS.



9. PAYMENT AND TERMS – All invoices are payable before shipping and without deduction in USD unless otherwise agreed and confirmed in writing in ASI's quote. A monthly service charge of 2% may be added to all accounts not paid by due date. Full payment, cleared in ASI's bank account, is required prior to Product being released for delivery to Buyer.

10. INTELLECTUAL PROPERTY –

(a) The performance by ASI of its obligations hereunder shall not confer, convey or license, to the Buyer, any designs, patent rights, copyrights, trademarks, trade names, know-how, software or algorithms.

Any intellectual property therein or relating thereto, the specifications, data, trade secrets or other intellectual property rights which are protected by domestic and international laws and regulations (collectively, the "**Intellectual Property**") in, incidental to the provision of, used with, or generated or collected from, the Products or Services, or any modifications, enhancements, changes or new proprietary information that is developed in relation to, or generated from, the Products or Services (the "**Improvements**"), and the Buyer acknowledges ASI's exclusive rights thereto.

All rights to the Products, Services, Intellectual Property and any Improvements are owned by ASI, its affiliates or licensors, and ASI, its affiliates and licensors (as applicable) retain all rights in and to the Products, Services, Intellectual Property and all Improvements. Any rights not expressly granted in the Terms and Conditions are expressly reserved by ASI.

(b) To the extent any Intellectual Property or Improvements do not immediately vest in ASI, the Buyer hereby assigns all right, title and interest in and to such Intellectual Property and Improvements to ASI. The Buyer covenants and agrees to do all such other things and to execute, or have executed, without further consideration, such documents as may be required for assigning, transferring, conveying and securing to ASI the exclusive right, title, property, benefit and interest in and to the Intellectual Property in the Products, Services and all Improvements.

(c) Except as explicitly stated herein, the Buyer is prohibited from using ASI's Intellectual Property for any purpose, other than as expressly permitted by ASI in writing. The Buyer shall maintain confidentiality with respect to ASI's Intellectual Property, and shall not use it for its own, or any third party's purposes.

11. LIMITED WARRANTY – ASI warrants only released Product. ASI warrants that released Product sold by it to be free from defects in materials and workmanship and to meet ASI's published specification for the Product or, in the case of Buyer-specific Product, the specifications agreed upon with Buyer, at the time of shipment, assuming the Product was under proper use and storage, for a period of Twenty-four (24) months from the date of the original delivery, subject to exclusions below. ASI does not warrant that its Products will be fit for the Buyer's purpose. Further ASI does not warrant that either the default or custom parameter settings provided by ASI will be fit for the Buyer's purpose. In addition, Buyer is responsible for ensuring that any custom parameter settings requested to be loaded onto the Product by ASI or loaded by the Buyer or other party after delivery are suitable for the intended purpose.

The foregoing warranties and remedies are exclusive and ASI shall have no further or additional obligation with respect to any Product sold to the Buyer. Except as expressly provided in the Terms and Conditions, ASI excludes all express or implied warranties, conditions and obligations of ASI, whether statutory or otherwise, concerning the quality of the Product, its fitness for any purpose, non-infringement and any warranties arising from a course of dealing or usage of trade.

ASI warranties replacement or repaired released Product, supplied by ASI or an ASI authorized representative, for a period of three (3) months from the date of delivery of the replaced or repaired released Product.

For further clarity, ASI does not provide any warranty on pre-released Product or Buyer-specified connectors/harnesses sold in conjunction with its Products. Pre-released product may include but is not limited to prototypes, engineering samples or product provided under limited availability. Buyer acknowledges that pre-released Product is still under development, may not be fully tested or qualified, may not be fully functional, may contain error or bugs, lacks regulatory approvals and may be delinquent in other areas. Buyer acknowledges that ASI has no obligation at a minimum to further develop any pre-released Product, to maintain features, functionality, design or dimensions, to commercialize and release at any time in the future, to provide error free versions or to provide versions compliant with regulatory approval for any pre-released Product. Buyer further acknowledges that ASI has the right to stop providing pre-released Products at any time without notice at ASI's sole discretion.

12. WARRANTY LIMITATIONS – ASI's entire liability and obligation to the Buyer under Section 11 shall be expressly limited to the unit replacement or repair cost, as ASI may determine at its sole discretion, of any defective or non-conforming released Product for which the Buyer has first given written notice to ASI of such defect or non-conformity. ASI will not be liable for any consequential damages. The limited warranty under Section 14 does not apply in the case of: (a) non-conformities, defects or errors in any Products due to accident, abuse, misuse or negligent use of the Products, use of the Products in a manner other than as intended by ASI, use of the Products in environmental conditions not conforming to ASI's instructions or conditions not typical to the Product



and intended field of use, or failure to follow typical operating procedures with respect to the Products and intended field of use; (b) defects, errors or non-conformities in any Products due to normal wear and tear; (c) damage to any Products caused by force of nature or act of any third party; or (d) any third party products or products that are otherwise not considered by ASI to be ASI's standard Products, including, without limitation, any custom algorithms or software within the Products, which ASI may supply from time to time to the Buyer, or which Buyer may source from a third party.

13. RETURN POLICY – The Buyer must obtain a Return Material Authorization ("RMA") number from ASI prior to shipping any in-warranty Product back to an ASI designated location. If ASI approves return of Product which has no fault, then a 20% restocking fee will apply. All in-warranty Returns are to be shipped to the ASI designated location by the Buyer according to ASI's instructions and at ASI's expense. The Buyer will be levied a per unit test charge based on ASI's current hourly RMA rate as well as an inbound shipping charge for all in-warranty Products returned and found to be functional and no fault found by ASI. The Buyer will not receive a credit on such Product. ASI will, at its sole discretion, either: (i) replace or repair the in-warranty Products found to be faulty and ship back to Buyer within 15 business days after receipt at the ASI designated location ; or (ii) provide a credit to the Buyer's account at the price of the Product. If, in the sole opinion of ASI, the in-warranty Product has been dismantled, altered or repaired by any individual or entity other than ASI or its authorized representative, or has been damaged in any manner by the Buyer, the warranty claim will be denied and the shipping cost will be invoiced to the Buyer.

Return Address: Accelerated Systems Inc. 60 Northland Road, Unit 6, Waterloo, ON Canada N2V 2B8
Attention: RMA Department

14. LIMITATION OF LIABILITY – ASI's total liability, if any, for any damages suffered by the Buyer, or any other party claiming on behalf of or through the Buyer, or any other third party, whether in contract, tort, warranty, or otherwise, shall be limited to direct money damages actually incurred, and shall not exceed the amount of money paid to ASI by the Buyer for the Product giving rise to such claim. ASI shall not be liable for and the Buyer shall indemnify, defend, and hold ASI harmless from any claims based on ASI's compliance with the designs, specifications or instructions, or modifications made of any Products by parties other than ASI, or the use of ASI's Products in combination with other items in a sub-system or system. Buyer acknowledges that ASI Product could act as a single point of failure and Buyer warrants that ASI has no liability or obligation for system failure analysis or system testing under normal operation or failure mode operation of the sub-systems or end user product. Buyer future acknowledges that ASI has not duty to warrant the fitness of the Product or Service, whether released or pre-released for the sub-system or end user product. Under no circumstances shall ASI be liable for any alleged, indirect, special, incidental, exemplary, punitive, or consequential damages suffered by the Buyer, by any party claiming on behalf of or through the Buyer, or by any other party resulting from or arising out of the purchase of Products and Services from ASI, including loss of business or profits, business interruption or damage or destruction of data, even if ASI has been previously advised of the possibility of such damages. No action, regardless of form or basis arising out of the transactions hereunder may be brought by the Buyer after one (1) year following the time in which the Buyer knew or should have known the occurrence of the event(s) which gave rise to such action. ASI hereby disclaims any duty to indemnify the Buyer, any party claiming on behalf of or through the Buyer, or any other party.

15. FORCE MAJEURE – ASI shall not be liable for any failure or delay in manufacture or delivery resulting from any cause beyond the reasonable control of ASI, including by way of illustration and not by way of limitation, compliance by ASI with any government or military regulation, or from acts of God, fires, or other casualty or accident, strikes, lockouts, factory shutdowns, or alterations, embargoes, riots or other disorders, delays or shortages in transportation, or inability to obtain sufficient quantity of fuel, power, labor, manufacturing facilities of materials or other supplies from the usual sources of ASI.

16. PURCHASE ORDER TERM AND TERMINATION – The Terms and Conditions will remain in effect until terminated or the Product as set out in the Purchase Order is delivered and the warranty obligations fulfilled (the "Term"). The Buyer acknowledges that ASI will purchase in advance the materials and supplies to fulfill each Buyer's Purchase Order. Buyer acknowledges that Purchase Orders are not cancellable by Buyer. If ASI wishes to terminate the Purchase Order as a result of the Buyer's breach of any of the Terms and Conditions, including, without limitation, by non-payment of any amounts due to ASI hereunder, the Buyer agrees to pay to ASI a cancellation charge equal to the value of materials and supplies purchased and work performed on the cancelled Purchase Order at the time of cancellation (the "Cancellation Fee"). Any Cancelled Purchase order, that results in the abandonment of finished goods, or components that are orphaned, ASI reserves the right to sell to any and all customers and shall apply the deposit against any losses.

17. END OF LIFE – ASI may at ASI's sole discretion discontinue a released Product at any time. ASI will endeavour to provide Buyer with written notice six (6) months prior to the anticipated final availability date of the released Product. ASI will accept Purchase Orders for released Product for a period of two (2) months after such notice however ASI reserves the right to reduce the quantity of released Product available to each Buyer if demand exceeds ASI's ability to provide such released Product. Each Buyer of custom product is responsible for any excess custom inventory related to their custom Product, once the custom Product has been discontinued; or obsolescence resulting from design changes requested by the Buyer.



18. AMENDMENT – No change, modifications or amendments to the Purchase Order shall be valid unless agreed to in writing and signed by a duly authorized representative of ASI or acknowledged by way of issuance of a revised order verification by ASI.

19. NO WAIVER – No failure or delay by ASI to exercise any right, power or privilege hereunder shall operate as a waiver thereof. No single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

20. PARTIAL INVALIDITY – If, in any instance, any provision of the Terms and Conditions shall be determined to be invalid or unenforceable under any applicable law, such provision shall not apply in such instance, but the remaining provisions shall be given effect in accordance with their terms.

21. ADDITIONAL TERMS – The Terms and Conditions shall be governed by and be interpreted in accordance with the laws of Ontario, Canada, without giving effect to the choice of law provisions thereof. The Buyer and ASI agree to submit to the personal jurisdiction of the provincial and federal courts of the Province of Ontario with respect to conflicts that arise under the Terms and Conditions.

22. LANGUAGE – The parties hereby acknowledge that they have required the Terms and Conditions and any and all schedules to be drawn up in the English language.

23. APPLICATION – The Buyer acknowledges that the Terms and Conditions will apply to all Purchase Orders for Product entered into between the Buyer and ASI, provided that, if the parties have entered into a supply agreement, the supply agreement will prevail in the event of any conflict between the supply agreement and the Terms and Conditions.