

## TERMS AND CONDITIONS

Thank you for your purchase and choosing QC INTEGRATED SOLUTIONS INC. (“**QC**”) to assist with your business needs. These Terms and Conditions apply to the sale of our products or services to any purchaser (“**Customer**”) of our products or services.

The defined terms below have the following meanings herein:

“**Applicable Laws**” means all applicable statutes, regulations, codes, and other legally binding requirements of governmental authorities in place from time to time;

“**Claims**” has the meaning given in paragraph 9;

“**Customer Marks**” has the meaning given in paragraph 14;

“**Limited Warranty**” has the meaning given in paragraph 7;

“**Invoice**” means QC’s standard form invoice delivered by QC to Customer including the details and quantity of the Products and/or Services, and fees with respect to the foregoing;

“**Products**” means the electrode testing or other products as may be displayed on the Website or otherwise made available by QC;

“**Proprietary Information**” has the meaning given in paragraph 12;

“**Purchase Order**” or “**PO**” means QC’s standard form purchase order delivered by QC to Customer including the details and quantity of the Products and/or Services, and fees with respect to the foregoing;

“**Services**” means any services offered by QC related to the Products;

“**Website**” means <https://www.qcintegrated.com/> or any other website made available by QC from time to time; and

“**Website User Agreement**” means the terms of use located at the Website accepted by users accessing the Website.

**1. POs Definitive.** Any orders for Products or Services shall be definitive and binding only once accepted by Customer in a PO or by payment of Invoice. Customer agrees to pay all fees set out in the PO or Invoice and unless otherwise specified are due net fifteen (15) days from receipt of Invoice or acceptance of PO. Except to the extent expressly stated in the PO or Invoice, fees do not include and are exclusive of applicable harmonized sales tax (HST), any other goods or services tax, sales tax, or value added tax, storage, insurance, transportation, shipping, handling, demurrage, installation, set-up costs, operation or maintenance costs, customs broker fees, duties, or import fees associated with Products or Services, and Customer has full responsibility for the payment of the foregoing.

**2. Estimated Completion Date.** If indicated on a PO or Invoice, the “Estimated Completion Date” is an approximate non-binding estimated date on or about which QC estimates that certain Products will be completed and ready for shipment. This date is consistent with established lead times in preparing Products and is subject to change.

**3. PO Cancellations.** PO’s and Invoices may not be cancelled,

rescheduled, changed or substituted without QC’s consent in writing in QC’s sole and absolute discretion. Such requests (if approved by QC) may be subject to a cancellation fee which shall be no less than the reasonable costs incurred by QC (including administrative costs and any out of pocket costs or disbursements) for work or services performed to fulfil the PO or Invoice.

**4. Shipment and Delivery.** QC will use commercially reasonable efforts to notify Customer once Products are complete and ready for shipment. Unless otherwise agreed to in writing on a PO or Invoice, all Products are to be shipped EXW (Incoterms 2010). QC shall inform Customer of weight and dimensions of Product which can be picked up by Customer’s delivery agent from QC’s premises. All responsibility and liability in connection with the Products is the Customer’s as soon as Products have been picked up by Customer or Customer’s shipping agent.

**5. Payment Terms.** Customer is required to pay QC the amount(s) set out on the PO or Invoice without set-off or deduction. Payment may be made by wire, major credit card or other immediately available funds accepted by QC and may be collected through third party intermediaries on the Website. All overdue payments bear interest, starting on the day the payment is due, at a rate of 1.5% per month. Any failure by Customer to make payment when due, which is uncured for a period of five (5) business days from such due date shall be an event of default hereunder entitling QC to change its credit or payment requirements, suspend or cancel performance of any of QC’s obligations to Customer, including cancelling or suspending delivery of any Products or Services. If an event of default by Customer is not cured within fifteen (15) days, Customer shall be responsible to pay QC’s reasonable expenses, including but not limited to reasonable legal fees, to collect such amounts.

**6. Currency.** All prices set out in the PO or Invoice are in the currency indicated therein. CAD means Canadian Dollars and USD means United States Dollars.

**7. Limited Product Warranty.** QC is pleased to offer a one (1) year limited, non-transferable, warranty on Products from the date of pickup from QC that Products will be free of material defects in workmanship (the “**Limited Warranty**”). All Limited Warranty claims shall be directed in writing to QC’s contact information on the Website. QC will evaluate all claims under the Limited Warranty, and determine in its sole discretion if any alleged non-conformance is a material defect in workmanship or if one does not exist or was caused by improper use or damage in transit while in control of Customer. If QC determines that the Limited Warranty applies, QC will use commercially reasonable efforts to, at QC’s option: repair (which may consist of a workaround) the affected Product (ii) replace the Product; or (iii) refund some or all of the fees paid for such Product. Customer shall bear all cost of shipment to QC for Limited Warranty purposes and is responsible for all risk of loss in transit. Any repair or replacement of Product by QC will not increase the

original Limited Warranty period. The foregoing sets forth the Customer's sole and exclusive remedies for any claims under the Limited Warranty. Other than the Limited Warranty, QC makes no express or implied warranty with respect to the Products or Services, including without limitation, any warranty of merchantability, fitness for a specific purpose or non-infringement of third-party rights.

**8. Limitation on Liability and Exclusive Remedy.** PRODUCTS AND SERVICES ARE USED AT CUSTOMER'S OWN RISK. QC'S LIABILITY TO THE CUSTOMER IN CONNECTION WITH THE PRODUCTS OR SERVICES SHALL NOT IN ANY EVENT EXCEED THE TOTAL AMOUNT PAID BY CUSTOMER TO QC FOR THE PRODUCTS OR SERVICES IN ANY SIX (6) MONTH PERIOD PRIOR TO ANY CUSTOMER CLAIM, INCLUDING WITHOUT LIMITATION WITH ANY LIABILITY ARISING FROM: (I) THE CUSTOMER'S USE, OPERATION, STORAGE, MAINTENANCE, OR TRANSPORTATION OF THE PRODUCTS; (II) ANY BREACH OR DEFAULT OF QC IN FULFILLING A PO OR INVOICE; OR (III) ANY BREACH OF WARRANTY. THE CUSTOMER'S EXCLUSIVE REMEDY FOR ANY CLAIMS OR LOSSES SUFFERED AS A RESULT OF THE FORGOING SHALL BE LIMITED TO, AT QC'S OPTION, REPAIR OR REPLACEMENT OF PRODUCT, OR CREDIT TO CUSTOMER'S ACCOUNT FOR PURCHASE PRICE PAID FOR THE PRODUCT OR SERVICE. CUSTOMER MUST PROVIDE WRITTEN NOTICE OF ANY LOSS WITHIN THIRTY (30) DAYS OF WHEN CUSTOMER DISCOVERED OR OUGHT TO HAVE DISCOVERED SUCH LOSS AND ACKNOWLEDGES THAT TIME IS OF THE ESSENCE. CUSTOMER'S FAILURE TO PROVIDE NOTICE TO QC IN ACCORDANCE WITH THIS SECTION SHALL RELEASE QC FROM ANY OBLIGATION OR LIABILITY WITH RESPECT TO SUCH BREACH. SUBJECT TO APPLICABLE LAW, THE CUSTOMER'S REMEDIES SET OUT HEREIN ARE EXCLUSIVE AND EXHAUSTIVE. IN NO EVENT SHALL QC BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, OR PUNITIVE DAMAGES, INCLUDING WITHOUT LIMITATION, ECONOMIC LOSS, LOSS OF BUSINESS, LOSS OF OTHER PRODUCTS, INCIDENTAL LOSS, ANTICIPATED PROFITS, REVENUE OR USE, OR COSTS OR CLAIMS OF ANY THIRD PERSON OF ANY NATURE RELATED TO THE PRODUCTS OR SERVICES. IN NO EVENT SHALL QC BE LIABLE TO ANY PERSON SEEKING TO ENFORCE A WARRANTY THROUGH A CUSTOMER. CUSTOMER HEREBY WAIVES AND RELINQUISHES INDIVIDUALLY AND ON BEHALF OF CUSTOMER'S INSURANCE COMPANY THE RIGHT OF SUBROGATION AGAINST QC FOR CLAIMS RELATED TO THE PRODUCTS OR SERVICES.

**9. Indemnification.** Customer hereby agrees to defend, indemnify and hold harmless QC, its affiliates, its contractors, and its and their respective directors, officers and employees against all against all claims, demands, suits, liabilities, injuries (personal or bodily), property damage, causes of action, losses, costs, expenses, damages or penalties, including court costs and reasonable legal fees ("**Claims**") to the extent caused or incurred as a result of (a) Customer's uncured failure to perform any material covenants under this Agreement; (b) any violation of any Applicable Laws to be complied with by Customer in its use, operation, storage or transportation of the of the Products or Services (as applicable); (c) any claim by a third party for bodily injury or property or environmental damage caused by the Customer or its employees or contractors in connection with the

use, operation, storage or transportation of the Products or Services; (d) any infringement or prohibited disclosure of any Proprietary Information by the Customer; and (e) any failure of the Customer to follow the user manual or guide accompanying the Products. To claim any indemnification hereunder, QC will provide notice to the Customer as soon as possible and no later than sixty (60) days of when QC discovered facts giving rise to an indemnity claim hereunder.

**10. Corporate Customer Representations and Warranties.** If the Customer is a corporation, it represents and warrants that it (a) is a corporation validly incorporated and existing under the laws of the jurisdiction of its incorporation; and (b) has the corporate power and authority to enter into these Terms and Conditions.

**11. Force Majeure.** QC's obligations shall be suspended by any circumstances beyond the reasonable control QC, including labour strikes, war, embargoes, terrorism, civil unrest, flood, fire, earthquake, extreme and severe weather events, and acts of God. The parties agree that no event of force majeure shall suspend the payment of any amounts due under a PO or Invoice. To the extent QC is prevented or delayed from performing by reason of force majeure: (a) suspension of performance shall be of no greater scope and of no longer duration than is reasonably attributable to such force majeure and required by any remedial measures; (b) no obligations that arose before the occurrence of such causes shall be excused as the result of the occurrence; and (c) QC shall use commercially reasonable efforts to remedy its inability to perform. If performance by QC of its obligations is affected by any force majeure it shall as soon as practicable notify the Customer of the nature and extent thereof.

**12. Intellectual Property.** All intellectual property rights in and to the Products and Services, including without limitation all designs, drawings, plans, specifications, systems, improvements, manuals, and codes, and business, copyright rights, patent rights, trade-marks, logos, trade secrets, industrial designs, inventions, designs, ideas, software, source code, works of authorship and other proprietary rights relating to the Products or Services and all design, research, development, testing, and directed operation and maintenance in connection with the forgoing (collectively "**Proprietary Information**") shall remain the exclusive property of QC. Customer covenants and agrees not to disclose, and not to use such Proprietary Information for any purpose other than the operation and maintenance of the Products purchased by Customer or receipt of Services provided by QC, without the prior written consent of QC. The Customer further agrees it shall not attempt to reverse engineer, disassemble, modify, translate, create derivative works, rent, lease, loan, distribute or sublicense any Products in whole or part.

**13. Software.** Any software or firmware incorporated in or provided with the Products is licensed on a limited non-exclusive basis to Customer. Except for the right to use the software or firmware as incorporated in the Products, all rights are reserved by QC. Customer agrees to comply with QC's requirements with regard to proprietary and similar rights in and to any third-party software incorporated in the Products. QC may release updates to any such software or firmware in its sole discretion without notice.

**14. QC's Use of your Marks.** Customer hereby provides express consent for QC to use Customers' name, corporate logos and trademarks ("**Customer Marks**") in QC's advertisements, marketing materials and Website. QC may publicly display Customer Marks and identify to third parties that Customer is a purchaser of QC's Products and/or Services, as applicable. QC will comply with any applicable usage guidelines for Customer Marks that are provided to QC in writing by Customer. QC acknowledges that its use of Customer's Marks will not create for QC any right, title or interest in or to such Customer Marks other than the limited right to use the marks as specified herein. Customer may withdraw its consent (in whole or part) for QC to use the Customer Marks in writing at any time, provided that such withdrawal shall be effective on a go-forward basis only, and any use of Customer Marks in circulation prior to such withdrawal may remain in circulation.

**15. Notice.** Any notice to be given hereunder to QC shall be sent to the contact address provided by QC on the Website from time to time. Any notice to be given hereunder to Customer shall be sent to Customer's last known address. Mail notice shall be delivered by prepaid registered mail or personal delivery and shall be deemed to have been received, in the case of prepaid registered mail, five (5) business days after mailing, and electronic receipt will be deemed to be completed on the business day of transmittal thereof provided no incompleteness or absence of notice is received by sender.

**16. Export and Import Laws.** Customer is solely responsible for compliance with all Applicable Laws governing the purchase and shipment of Products or Services to all jurisdictions, including any export or resale restrictions and regulations.

**17. Terms & Conditions Prevail.** Customer acknowledges and agrees that these Terms and Conditions apply and prevail over any terms or conditions of Customer or any other written requests, variations, or requirements of Customer with respect to the Products or Services. To the extent of any inconsistency or conflict with any Customer imposed or proposed terms and conditions set out in a PO, Invoice, the Website User Agreement or otherwise, these Terms and Conditions prevail. The PO (and/or Invoice) the Website User Agreement and these Terms and Conditions constitute the entire agreement of QC and Customer and there are no understandings, agreements, or representations, express or implied, other than what is contained in these documents with respect to the subject matter herein.

**18. Dispute Resolution.** In the event of disputes arising out of or in connection with these Terms and Conditions (a "**Disputed Matter**") the Customer will work together with the QC for fifteen (15) business days to attempt to resolve the Disputed Matter, following which if the Disputed Matter is unresolved either may provide notice in writing to the other requiring that the Disputed Matter be resolved by binding arbitration by a single arbitrator in Kingston, Ontario Canada. Such arbitration shall be governed by the arbitration rules and procedures of the *Arbitration Act*, 1991, S.O. 1991, c. 17 of the province of Ontario, or any successor legislation. In the event an arbitrator cannot be mutually agreed upon, either the Customer or QC may apply to the court for the appointment of an arbitrator. The decision of the arbitrator shall be final and binding on all Parties. Any award by the arbitrator may be filed in court and enforced as a judgment of the court. Responsibility for the costs of the

arbitration shall be borne equally by the Customer and QC (and each party shall be responsible for its own counsel and other third-party expenses). Notwithstanding the foregoing, any Disputed Matter giving rise to the need or desire by the QC to preserve or protect its Proprietary Information or to prohibit or seek an injunction against any restricted behaviour herein or other common law or equitable remedy to preserve or protect its Proprietary Information may be brought by the QC in the courts in the Province of Ontario or the Federal courts of Canada having jurisdiction over such matters and are not limited to or required to be addressed through arbitration.

**19. Changes.** QC reserves the right, in its sole discretion, to make any updates, modifications and adjustments at any time without prior notice to Products or Services descriptions, warranties and prices, due to errors, product discontinuation, changing costs, new market conditions or any other business factor.

**20. Updates to Terms and Conditions.** QC may from time to time unilaterally update its Terms and Conditions without notice to Customer by posting a new version of these Terms and Conditions on the Website. Notwithstanding the foregoing, the Terms and Conditions that are available to the Customer at the time of applicable purchase by way of PO or Invoice are binding.

**21. General.** These Terms and Conditions: (i) shall be construed and performed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein; and (ii) will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Customer and QC. No waiver of a breach will be effective or binding unless made in writing and signed and, unless otherwise provided in the written waiver and will be limited to the specific breach waived. Failure to enforce of any provision of these Terms and Conditions will not constitute a waiver of such provision. If any provision herein is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect. Customer shall not assign its rights or obligations hereunder, without the prior written consent of QC.

**CUSTOMER HEREBY ACCEPTS THESE TERMS AND CONDITIONS UPON PURCHASE OF ANY PRODUCT OR SERVICE BY WAY OF WRITTEN OR ONLINE ACCEPTANCE OF ANY PO OR BY PAYMENT OF ANY INVOICE FOR SUCH PRODUCTS OR SERVICES. BY ACCEPTING THESE TERMS AND CONDITIONS, THE CUSTOMER: (I) HAS READ AND UNDERSTANDS THESE TERMS AND CONDITIONS; AND (II) HAS BEEN REPRESENTED BY COUNSEL OF ITS OWN CHOICE IN CONNECTION WITH REVIEW OF THESE TERMS AND CONDITIONS OR HAS DECLINED SEEKING COUNSEL. NO DRAFTING RULE OF CONSTRUCTION OR INTERPRETATION SHALL APPLY AGAINST QC.**