

Class 1 Incorporated
STANDARD TERMS AND CONDITIONS OF SALE

1. General. As used herein, Class 1 Incorporated, having its principal place of business at 565 Boxwood Drive, Cambridge, Ontario, N3E 1A5, Canada is referred to as the “**Seller**” and the entity purchasing Goods from the Seller is referred to as the “**Purchaser**”. The present Standard Terms and Conditions of Sale (these “**Terms**”) are applicable to and form the sole and integral part of every contract, quotation, purchase order, order form, proposal or invoice (the “**Contract**”) between the Seller and the Purchaser (referred to individually as “**Party**” or collectively as the “**Parties**”) for the sale of parts, equipment, machines, accessories, goods or services (“**Goods**”). **Seller’s sale of any Goods is expressly conditioned on Purchaser’s assent to these Terms. Any acceptance of Seller’s offer is expressly limited to acceptance of these Terms.** Notwithstanding any contrary provision in the Purchaser’s purchase order or other document, commencement of performance by Seller shall not constitute acceptance of the Purchaser’s terms and conditions to the extent any such terms or conditions are inconsistent with or in addition to these Terms. Any and all terms, conditions, and other provisions from the Purchaser (whether or not contained in a request for quotation, purchase order, or otherwise) which are inconsistent with or in addition to these Terms are rejected and shall not be binding on Seller. No waiver, alteration, amendment, or other modification of these Terms shall be binding on Seller unless made in a writing (identifying the applicable quotation number and clearly identifying and agreeing to the modification) signed by an authorized manager at Seller. The Purchaser’s issuance of a purchase order and/or the Purchaser’s acceptance of any work performed by Seller shall constitute acceptance of these Terms. In the event a separate written agreement covering terms and conditions has been negotiated and mutually signed by authorized representatives of Purchaser and Seller, and such agreement is applicable and in effect, it shall take precedence (to the extent of conflicts) and the terms and conditions set forth in these Terms will be supplemental to those of such agreement.

2. Quotation Validity. Unless otherwise expressly stated in the quotation, the quotation is valid for a period of 90 days after it is issued by Seller. Beyond that, quotations will require confirmation or adjustment by Seller.

3. Credit. A Purchaser credit account cannot be opened by the Seller until receipt, by the Seller’s Credit Department (the “**Credit Department**”), of a signed Credit Application. The Purchaser agrees that on-going credit approval to the satisfaction of the Seller shall be a continuous pre-condition of sale of any Goods. The Purchaser will provide to the Seller, upon request, all relevant and current information allowing Seller to evaluate the financial situation or any relevant matter regarding the Purchaser’s business background and debt, including but not limited to, its annual or interim financial statements, credit reports and legal suits. The Seller may, at its sole discretion, in the event of insufficient credit worthiness, freeze the Purchaser’s account, stop all shipments and sale of Goods to the Purchaser, or even terminate the Contract. Purchaser requested hold back shall not apply unless agreed by the Seller in writing.

4. Title and Risk. It is agreed by the Purchaser and Seller that title to and ownership of the Goods shall remain in the Seller until the Goods are paid for in full by the Purchaser. The Purchaser assumes full risk of loss, damage to or destruction of the Goods, from and after the time, at which the Goods leave the Seller’s warehouse or shipping location(s) until the Goods are paid in full.

5. Grant of Security Interest. To secure payment of the purchase price of Goods, the Purchaser hereby grants and confirms to and in favour of the Seller, a first-ranking security interest, in all now existing and hereafter-acquired Goods bought under financing from the Seller by the Purchaser, which includes, but is not limited to, a purchase money security interest in the Goods, as well as all associated proceeds. (“Grant of Security Interest”). For sales in the Province of Quebec, any sale between the Seller and the Purchaser shall be deemed an installment sale under the Quebec Civil Code, by which the Seller reserves a right of ownership over the Goods until full payment of the sale price.

6. Price, Taxes, Duties & Levies. The price does not include taxes. Any and all applicable taxes and governmental charges will be added to any price payable by the Purchaser and shall be paid by the Purchaser. Unless stipulated otherwise by Seller, all prices are in Canadian Dollars.

7. Purchaser’s Acceptance of the Goods. The Purchaser shall inspect the Goods upon receipt and such Goods will be deemed to be in compliance with the Contract and accepted by the Purchaser, unless a written notice indicating otherwise is received by the Seller within fourteen (14) days after the Purchaser’s receipt of the Goods.

8. Cancellation. The Purchaser shall have no right to cancel the Contract (or a part of the Contract), unless Seller, at its sole discretion, agrees in writing to such cancellation. The Seller's determination of its acceptance of any such cancellations shall be pre-conditioned on the Purchaser sending a written notice to the Seller, requesting the cancellation and detailing with specific accuracy the reasons for any said request, as soon as the circumstances arise giving reasons for such request of cancellation. Upon Seller's acceptance of the notice of cancellation, Purchaser shall pay Seller's cancellation charges below, unless a different schedule is specified in the purchase order:

Standard Goods – equipment or parts available for shipment from Seller. Cancellation fee of 25% of the price shall apply.

Specialty or Engineered Goods – equipment or parts requiring customization performed by Seller. Cancellation fee is as follows:

- During document submittal stage: 10% of the price
- After submittals have been approved and before start of manufacturing: 20% of the total price
- After manufacturing has begun: Cancellation not permitted

9. Returns. All returns are subject to approval by the Seller in writing in Seller's sole discretion. If Seller agrees that Purchaser may return the Goods, Seller will issue a "Returned Goods Authorization" ("RGA") number to Purchaser, and Purchaser must include such RGA number with the return. Returns of Specialty or Manufactured Goods are not permitted. All Goods must be returned to Seller in their original unopened and undamaged packaging. Seller has a right to accept or refuse any returned Goods at its sole discretion, without giving the notice of its decision to the Purchaser. The shipping expenses, re-stocking charges and fees for the return of any Goods may be charged to Purchaser depending on the reason for return.

10. Terms of Payment. The terms of payment for Goods are net thirty (30) days from the date of the Seller's invoices and services are due upon receipt, unless different terms have been agreed to in writing in a separate agreement by the Parties. All invoices shall be paid in full and Purchaser shall not be entitled to deduct, set-off or to withhold payment. Any invoice not paid by the due date will be considered outstanding and a late charge will be payable by the Purchaser on the outstanding amount from the due date until the payment of the total amount due to the Seller, which shall be calculated as the lesser of: (i) one percent (1%) per month (twelve percent (12%) annually); or (ii) the highest interest rate permitted by law. The Seller may at its sole discretion opt to not charge any charges for late payment.

11. Warranty.

(a) ~~Unless otherwise~~ defined by Seller, Seller warrants that the Goods are free from defects in materials, design and workmanship:

For new equipment: twelve (12) months from commissioning or eighteen (18) months from date of invoice, whichever occurs first;

For spare parts only: three (3) months from date of sale;

For services: six (6) months from date of completion of services.

Any additional or different applicable specific limited warranties are described in the attached Exhibit A - WARRANTY. If there is any conflict between this Section 11 and Exhibit A, then provisions of Exhibit A take precedence.

(b) Service Plans for new equipment: "Service Plan" means a Contract between the Parties to perform maintenance services at specific intervals during a defined period of time. Additional warranty details for Seller's Service Plans on new equipment described are in the attached Exhibit B, Conditions Applicable to Service Plans. All other details shall be specified in the Seller's Quotation. If there is any conflict between this Section 11 and Seller's Quotation for service, then provisions of Seller's Quotation take precedence.

(c) To avail itself of the Seller's limited warranties, the Purchaser must make a written warranty claim by providing the Seller with written notice detailing specifically the nature of the alleged defect affecting the Goods within fifteen (15) days of discovery of such defect by delivering said Goods at its own cost to the Seller's nearest branch or location, prior to the expiration of the Seller's warranties. The Seller shall investigate

the warranty claim and inform the Purchaser of the results of this investigation.

(d) Seller's warranty shall not apply in cases of: (i) accidental damage; (ii) damage or failures due to accidents; (iii) when equipment has not been installed or serviced by Seller's authorized technician or (iv) failure to operate the equipment in accordance with Seller's written instructions. Should any failure to conform with this warranty appear during the specified periods under normal and proper use, Seller shall, if given prompt notice by Purchaser, repair or replace, the non-conforming Goods or authorize repair or replacement by the Purchaser at Seller's expense. Goods that have been replaced become the property of Seller. Warranty repair work does not restart the warranty period, which warranty period shall be equal to the original warranty for the item replaced or repaired.

(e) When the nature of the defect is such that it is appropriate in the judgment of Seller to do so, repairs will be made at the site of the Goods. Travel costs and accommodation are not included and will be charged to the Purchaser at the rates effective at the date of site attendance. Repair or replacement under applicable warranty shall be made at no charge for replacement parts, warranty labor, when work is performed during normal working hours (8 a.m. to 4:30 p.m. Monday through Friday, exclusive of holidays). Labor performed at other times will be billed at the overtime rate then prevailing for services of Seller personnel. The Seller warranty does not extend to Goods not manufactured by Seller or affiliates. As to such Goods, Purchaser shall be entitled to proceed only upon the terms of that particular manufacturer's warranty. The Seller warranty does not apply to defects in material provided by Purchaser or to design stipulated by Purchaser.

(f) THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY, WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTY OF MERCHANTABILITY OR FITNESS ARE HEREBY DISCLAIMED.

(g) USED GOODS, GOODS NOT MANUFACTURED BY SELLER OR AFFILIATES AND GOODS EXCLUDED FROM THE ABOVE WARRANTIES ARE SOLD AS IS WITH NO REPRESENTATION OR WARRANTY, AND ALL WARRANTIES OF QUALITY, WRITTEN, ORAL, OR IMPLIED, OTHER THAN MAY BE EXPRESSLY AGREED TO BY SELLER IN WRITING, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS, ARE HEREBY DISCLAIMED.

(h) CORRECTION OF NON-CONFORMITIES AS PROVIDED ABOVE SHALL BE PURCHASER'S EXCLUSIVE REMEDY AND SHALL CONSTITUTE FULFILLMENT OF ALL LIABILITIES OF SELLER (INCLUDING ANY LIABILITY FOR OF PROFIT, LOSS OF USE OF THE EQUIPMENT OR ANY LOSS OF GOODS AND OTHER, DIRECT, INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL, FORESEEABLE OR UNFORESEEABLE DAMAGE, INCLUDING LOSS) WHETHER IN WARRANTY, STRICT LIABILITY, CONTRACT, EXTRA-CONTRACTUALLY, TORT, NEGLIGENCE, OR OTHERWISE WITH RESPECT TO THE QUALITY OF OR ANY DEFECT IN GOODS OR ASSOCIATED SERVICES DELIVERED OR PERFORMED HEREUNDER.

12. Delivery and Lead-Times. All delivery and production lead-times for Goods quoted by the Seller are estimations only and are, among other things, based upon timely receipt of all necessary information and approvals. Deliveries shall be Ex Works (Incoterms 2020) the Seller's warehouse or its other facilities, as determined in the Seller's sole discretion. For Goods shipped from the Seller's manufacturing facilities outside of Canada, the deliveries are Ex Works (Incoterms 2020) the Seller's particular facilities.

13. Force Majeure. In no event shall the Seller be held liable or responsible to the Purchaser or any other party for any delay, breach or failure arising, in whole or in part, by reason of Force Majeure including, but not limited to, acts of governmental authorities, declared or undeclared war, floods, fires, earthquakes, unusually severe weather conditions, epidemics, pandemics, civil unrest, riots or other civil disturbances, road conditions and construction, statutes, legislation, ordinances, court orders or regulations (including changes or repeal of these statutes, legislation, ordinances, court orders or regulations), strikes or labour disputes, inability to secure raw materials, supplies or labour, or any other event, cause, contingency or circumstance beyond the Seller's reasonable control, which could prevent, hinder or delay the manufacture or delivery of the Goods.

14. Insurance: Each Party shall only maintain its standard commercial general liability insurance coverage in accordance with their insurers' blanket insurance policies and any insurance coverage required under applicable law.

15. Confidentiality. In connection with this Contract or performance hereunder, Seller and Purchaser (as to information disclosed, the "Disclosing Party") may each disclose Confidential Information to the other party

hereto (the "Receiving Party"). "Confidential Information" shall mean all information related to the business, Goods, or services of the Disclosing Party that is not generally known to the public, and all pricing and terms of the contract, provided that the obligations of this paragraph shall not apply as to any portion of the Confidential Information which: (i) is or becomes generally available to the public other than as a result of disclosure by the Receiving Party, its representatives or its affiliates, or (ii) has been or is subsequently independently developed by the Receiving Party, its representatives or affiliates, without reference to the Confidential Information, or (iii) is required to be disclosed by law or valid legal process provided that the Receiving Party who intends to make such disclosure shall promptly notify the Disclosing Party in advance of such disclosure and reasonably cooperate in attempts to maintain the confidentiality of the Confidential

Information. The Receiving Party agrees, except as otherwise required by law: (i) to use the Confidential Information only as the Disclosing Party intended it to be used by the Receiving Party in connection with providing or receiving the Goods, and (ii) to take reasonable measures to prevent disclosure of the Confidential Information, except disclosure to its employees to the extent necessary to facilitate providing or receiving Goods. Upon the Disclosing Party's request, the Receiving Party shall destroy or return to Disclosing Party all copies of Confidential Information. If either party or any of their respective affiliates or representatives is required or requested by subpoena, interrogatories, or similar legal process to disclose any Confidential Information, such party agrees to provide the Disclosing Party with prompt written notice of such request, so that the Disclosing Party may seek an appropriate protective order or waive compliance by the Receiving Party with the provisions herein. It is understood and agreed that this Section 15 survives any expiration/termination of the contract.

16. Intellectual Property Rights. Neither Party shall have title or property rights in the intellectual property of the other Party. All documentation and drawings, specifications and other technical information pertaining to the Goods, including all technical information reasonably necessary for the correct installation, operation and maintenance and the like of the Goods (collectively known as "**Technical Information**"), shall be considered as part of the Goods and the physical media on which the same are presented shall be granted to Purchaser by Seller, as a limited license in accordance with the present provision, upon full payment; provided however, that the copyright, patent, trademark, trade name, trade secret and other intellectual property contained therein shall be and remain the sole property of the Seller. The Seller grants to the Purchaser an irrevocable, royalty-free, non-exclusive, non-transferable, non-assignable, non-sublicensable, license to use the said intellectual property solely for the purpose of installing, operating, using and maintaining the Goods in the manner described in any manuals or information supplied by the Seller to the Purchaser. For service work, Seller does not grant any intellectual property rights or license to the Purchaser.

17. Software. In the event the Goods contains or otherwise includes software, the software shall remain the sole property of Seller (and/or its affiliates or other third parties who are Seller's licensors, if applicable), and in no event shall title thereto be sold or transferred to Purchaser. In the event any Goods supplied hereunder contain or otherwise include software, the following shall apply: (i) subject to Purchaser complying with these Terms, Purchaser is granted a non-exclusive, non-transferable license to properly use the software in machine readable object code form only; (ii) any license so granted is limited to the proper use of the Goods containing the software only in the manner authorized by Seller; and (iii) Purchaser shall not sublicense the software to any other entity nor assign its license rights. Notwithstanding the above, in the event Purchaser transfers (in compliance with any and all applicable laws and regulations) title to any Goods containing the software, the license granted hereby shall transfer to Purchaser's transferee. Any license granted hereunder shall continue: (i) until terminated in accordance with this contract, or, (ii) for the useful life of the Goods in which the software is embedded or is otherwise an integral part, or, (iii) for the useful life of the software, whichever is shorter. Any modification, alteration, or removal or unauthorized use of the software constitute a breach of this contract and shall automatically terminate any license granted hereby. Purchaser shall not (and shall not permit any third party to) create derivative works based on the software, or reverse engineer, or disassemble or decompile the software, or transfer, copy, or modify, the software. In the event a separate written applicable Seller-provided Software License is provided with the Goods, specified in Seller's quotation, and/or otherwise communicated to Purchaser, then the software shall be governed, in order of precedence, by the terms of the separate Software License and then by any non-conflicting terms hereof.

18. Remote Monitoring. The Purchaser acknowledges that the equipment may contain remote data monitoring service. The collected data may be used by Seller and other trusted parties for the purpose of

increasing overall customer service. Seller and these trusted parties will not disclose collected data to other third parties unless authorized by law. Seller will make commercially reasonable efforts to protect such data. Purchaser acknowledges that the use of this monitoring service is provided “as is”, that use of the service is entirely at Purchaser’s risk. Seller and Purchaser, and that Seller may discontinue the service at any time. Purchaser may request discontinuance of the remote data monitoring service at any time.

19. Intellectual Property Indemnity. Seller shall defend or at its option settle any suit or proceeding by any third party brought against Purchaser in so far as it is based on an allegation that any Goods (provided by Seller to Purchaser) constitutes an infringement of any United States patent, copyright, or trademark. Seller

will pay the damages and costs awarded in any suit or proceeding so defended. Seller’s obligations in this paragraph are conditioned upon Purchaser promptly (i) notifying Seller in writing of the third party’s claim; (ii) giving Seller full authority to control the defense and settlement of the suit or proceeding; and (iii) providing Seller with full information and reasonable assistance at Seller’s expense. Seller shall ensure that no such settlement intending to bind Purchaser shall be entered into without Purchaser’s prior written consent, which consent shall not be unreasonably withheld or delayed. In case the Goods (or any portion thereof) as a result of any suit or proceeding so defended is held to constitute infringement or its use by Purchaser is enjoined, Seller will, at Seller’s option and expense: (i) procure for Purchaser the right to continue using the Goods; (ii) replace the Goods with substantially equivalent non-infringing Goods; (iii) modify the Goods so it becomes non-infringing; or (iv) take back the Goods and refund or credit monies paid by Purchaser to Seller for such Goods less a reasonable allowance for use. Seller will have no duty or obligation to Purchaser under this paragraph to the extent that the Goods is (i) supplied according to Purchaser’s design or instructions wherein compliance therewith has caused Seller to deviate from Seller’s normal designs or specifications, (ii) modified, (iii) combined with items, systems, methods, or processes not furnished by Seller and by reason of said design, instruction, modification, or combination a claim is brought against Purchaser. If by reason of such design, instruction, modification or combination, a claim is brought against Seller or its affiliate, Purchaser shall protect Seller and its affiliate in the same manner and to the same extent that Seller has agreed to protect Purchaser under the provisions above in this paragraph. THIS SECTION 19 STATES SELLER’S AND ITS AFFILIATES’ EXCLUSIVE LIABILITY FOR INFRINGEMENT OF ANY THIRD PARTY’S PATENT, COPYRIGHT AND/OR TRADEMARK.

20. Trade Sanctions, Anti-Corruption and Ethical Standards. Each Party shall strictly abide by all applicable Canadian, US, UN and international trade sanctions and laws. Purchaser agrees and warrants that no Goods, items, equipment, materials, services, technical data, technology, software or other technical information or assistance furnished by Seller, or any good or Goods resulting therefrom, shall be exported or re-exported by Purchaser or its authorized transferees, if any, directly or indirectly, in violation of any law or regulation. The Parties agree to abide by all applicable anti-corruption legislation, especially the Corruption of Foreign Public Officials Act (Canada), the US Foreign Corrupt Practices Act, the UK Bribery Act and the OECD Convention on Combating Bribery of Foreign Public Officials, and Atlas Copco’s Business Code of Practice and ethical standards, which can be found at the following link: (<https://www.atlascopcogroup.com/en/sustainability/our-business-code-of-practice>), all as amended from time to time. If Purchaser breaches any obligation in this Section 20, Purchaser shall indemnify Seller from all expenses, liabilities, sanctions, and fines arising from such breach.

21. Limitation of Liability. NOTWITHSTANDING ANYTHING ELSE, THE TOTAL LIABILITY, IN THE AGGREGATE, OF SELLER ARISING OUT OF, RELATED TO, OR RESULTING FROM THE ORDER OR CONTRACT OR THE PERFORMANCE OR BREACH THEREOF, OR THE DESIGN, MANUFACTURE, SALE, DELIVERY, RESALE, REPAIR, REPLACEMENT, INSTALLATION, TECHNICAL DIRECTION OF INSTALLATION, INSPECTION, SERVICE, OPERATION OR USE OF ANY GOODS OR SERVICE SHALL BE LIMITED TO THE ACTUAL PURCHASE PRICE AMOUNT PAID BY PURCHASER TO SELLER FOR THE SPECIFIC GOODS/SERVICES GIVING RISE TO THE CLAIM (REGARDLESS OF WHETHER DAMAGES ARE CHARACTERIZED AS ARISING OUT OF BREACH OF WARRANTY, TORT, CONTRACT, OR OTHERWISE). For purposes of this Section 21, the term “Seller” means Seller, its affiliates, suppliers, and subcontractors, and their respective employees/agents.

22. No Consequential Damages. NOTWITHSTANDING ANYTHING ELSE, UNDER NO CIRCUMSTANCES SHALL SELLER BE LIABLE FOR ANY LOSS OF PROFITS OR REVENUE, LOSS OF TOTAL OR PARTIAL

USE OF THE GOODS OR SERVICES, DOWNTIME COSTS, AND DELAY COST OR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, OR SPECIAL DAMAGES EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR IF SUCH DAMAGES ARE FORESEEABLE AND EVEN IF ANY OF THE LIMITED REMEDIES IN THIS CONTRACT FAIL IN THEIR ESSENTIAL PURPOSE (REGARDLESS OF WHETHER DAMAGES ARE CHARACTERIZED AS ARISING OUT OF BREACH OF WARRANTY, TORT, CONTRACT, OR OTHERWISE). For purposes of this Section 22, the term "Seller" means Seller, its affiliates, suppliers, and subcontractors, and their respective employees/agents.

23. Miscellaneous.

23.1. **Product Markings.** Purchaser shall not remove or alter any tags, labels or identifying markings placed by Seller on any Goods or their packaging.

23.2. **Non Exclusive Rights.** All rights in the Terms shall be in addition to, and not in lieu of, the Seller's other rights and remedies pursuant to applicable law.

23.3 **Successors, Heirs and Assignment.** The Terms bind and inure to the benefit of the Purchaser and the Seller, as well as their respective successors and the Purchaser's permitted assigns according to the present section. The Purchaser may not assign any of its rights or obligations hereunder without the Seller's prior written consent, which shall not be unreasonably withheld. The Seller may assign all or any part of the Terms at any time without consent of the Purchaser.

23.4 **Waiver.** Any failure of the Seller to enforce any provision or to exercise any of its rights pursuant to the Terms or Contract shall not constitute a waiver, estoppel or relinquishment of any terms, conditions or rights pursuant to the Terms and Contract and will not limit the Seller's right to enforce strict compliance of its rights at a later date.

23.5 **Governing Laws and Jurisdiction.** For the perfection of any security interest over the Goods sold to the Purchaser by Seller, the applicable law governing security interest of the province where the Goods are located shall apply. Otherwise, the interpretation, validity and performance of the Terms and Contract must be governed by and interpreted in accordance with the laws of the Province of Ontario, without taking into account conflict of laws rules. All disputes arising out of or in connection with these Terms, or in respect of any legal relationship associated with or derived from these Terms, will be finally resolved by arbitration under the Arbitration Rules of the ADR Institute of Canada, Inc. The seat of arbitration will be Toronto.

23.6 **Construction.** The headings found in the Terms are provided for convenience only and may not be considered in its interpretation.

23.7 **Severability.** If any provision in the Terms should be held invalid, unenforceable or against public policy by a Canadian court of competent jurisdiction, the remaining provisions shall remain valid with full force and effect.

23.8 **Entire Agreement.** The Terms, shall constitute and be deemed the entire agreement between the Seller and the Purchaser, and cannot be modified or amended in any way, except by a subsequent document, duly executed by a signing officer or employee of the Seller, who is authorised to bind the company. All other documents, negotiations, representations and agreements, either oral or in writing, made by any other persons, are of no effect and are expressly superseded.

23.9 **Survival.** The provisions of these Terms that by their nature are intended to survive expiration or termination of this Contractor, including but not limited to the provisions pertaining to intellectual property, confidentiality, warranties, indemnification will survive the expiration or termination of this Contract.

23.10 **Language.** The Parties hereby acknowledge that they have expressly requested and are satisfied that these presents, and the documents related thereto, be drawn in English. Les parties aux présentes reconnaissent qu'ils ont expressément exigé que les présentes, ainsi que les documents qui s'y rattachent, soient rédigés en anglais, et s'en déclarent satisfaits. Ce document est aussi disponible en français.

EXHIBIT A –WARRANTY

WARRANTY ON SPARE PARTS INSTALLED BY ATLAS COPCO	
<u>Major components:</u>	<u>Months</u>
New MD dryer rotors	24
New oil-free screw elements (Z-series)	60
New oil-free tooth elements (Z-series)	24
New oil-injected screw elements (G-series)*	24
Rebuilt oil-injected screw elements (G-series)*	12
New electric motors and/or variable speed drives*	24
New oil-free high-pressure reciprocating stages (P and D-series)	12
Local or central controller modules (Elektronikon or ES systems)*	12
<u>All other parts*:</u>	6

WARRANTY ON SPARE PARTS INSTALLED BY OTHERS	
<u>Major components:</u>	<u>Months</u>
New MD dryer rotors	12
New oil-free screw elements (Z-series)	12
New oil-free tooth elements (Z-series)	12
New oil-injected screw elements (G-series)	12
Rebuilt oil-injected screw elements (G-series)	6
New electric motors and/or variable speed drives	12
New oil-free high-pressure reciprocating stages (P and D-series)	6
Local or central controller modules (Elektronikon or ES systems)	6

WARRANTY ON SERVICE LABOUR	
<u>Rebuilds, Preventative Maintenance Services or Repair:</u>	<u>Months</u>
Under Service Agreement with AC Compressors Canada	6
Ad-hoc service	3

All intervals are based from date of Seller's invoice(s).

EXHIBIT B - CONDITIONS APPLICABLE TO SERVICE PLANS:

1. Price Adjustments.

- a. If the term of a Service Plan or of any renewal term is less than three years, the annual price is subject to an adjustment on completion of each twelve months from the commencement date (hereinafter referred to as the "review date"; however, the price increase at each such review date shall not exceed 5% of the preceding twelve month period's price. It is expressly that this limitation does not apply to Service Plans having a term of three years or longer, in which case the price adjustment may exceed 5 %.
- b. Regardless of the duration of the term and even if the price is stated as a fixed annual price, the price is subject to an adjustment at any time during the term if any major change occurs in the operating or site conditions of the compressor. Major changes to include but are not limited to: (i) Purchaser's act of moving the compressor (even if within the facility), (ii) placing another piece of equipment in such a way that coolant air inflow into the compressor is affected, or (iii) making electric power-related changes, or exceeding the compressor's estimated yearly running hours (specified in the quotation's Pricing and Services Summary, in the column entitled "Estimated Running Hours per Year") by more than one thousand (1,000) hours. In addition, the price is subject to an adjustment at any time if there is any addition of service.

2. Service.

- a. Seller's quotation sets forth the specific Service Plan quoted. Details specific to various Service Places are set out below.
- b. Seller's quotation also sets forth the specific number of Visits per Year to carry out the activities specified in the quotation's Activities List for the specific compressor. The activities will be performed by Seller in accordance with the compressor's instruction manual or as determined by the compressor's operating context. After each visit, an electronic service report will be provided by Seller to the Purchaser. The service report will outline the service provided and any repairs recommended. Repairs are not within the services supplied under this Contract, unless expressly set forth otherwise herein. The service report must be signed by a Purchaser representative, thereby verifying the work, as specified, has been completed.
- c. Seller will contact the Purchaser before any visit. All work will be performed during Seller's normal working hours (7:30 am to 4:00 pm, Monday through Friday excluding public holidays), except as otherwise mutually agreed in writing. If Seller agrees to perform work outside of Seller's normal working hours, Seller reserves the right to charge the Purchaser extra in accordance with Seller's applicable rates.

3. Limitations of Service Obligations.

- a. Applicable to all Service Plans, Seller shall not be obligated to inspect or service any compressor under this Agreement in the event of:
 - i. Purchaser's failure to perform any of its responsibilities set forth in Section 7 below, including but not limited to the Purchaser's responsibility to perform daily and weekly (8 and 40 hour) servicing and inspection on the compressor in accordance with the compressor's instruction manual;
 - ii. Any failures influencing the function of the compressor caused by unforeseen circumstances including, but not limited to, accidental or willful damage to the compressor by the Purchaser or a third party, failure of electric power for the compressor (or interruption or fluctuations of electric power, or out-of-specification electric power), improper quality and/or quantity of air going into the compressor, introduced contamination, or improper repair, servicing, or alteration of the compressor by the Purchaser or a third party; or
 - iii. Operation outside specified parameters.
- b. Under a Preventive Maintenance Plan, electrical components not supplied as a standard component of the compressor package are not within the services of this Agreement.

- c. Temporary hire of compressors/ alternative air supply is not included to cover compressor outages unless specifically agreed in writing signed by an authorized Seller manager.

4. Purchaser Responsibilities.

Under all Service Plans, Purchaser shall do all of the following:

- a. Perform daily and weekly (8 and 40 hour) inspection on the compressor in accordance with the compressor's instruction manual (including in the manual's preventative maintenance schedule);
- b. Keep the compressor within the environmental conditions (including but not limited to temperature range, humidity range, and other factors), and operate it as recommended in the compressor's instruction manual and in accordance with any written recommendations of Seller's service specialists.
- c. Ensure that water in the compressor's cooling circuits (if applicable) and ventilation is within the limits of quality, quantity and temperature as recommended by Seller;
- d. Use only genuine Seller Parts and Lubricants approved by Seller;
- e. Advise Seller immediately of any changes of compressor operational conditions or site conditions and any malfunctions or failures that may influence the proper functioning of the compressor;
- f. Provide Seller with free and full access to the compressor, during previously agreed-upon times, to perform scheduled visits pursuant to this Agreement. The Purchaser will at its own cost supply adequate lighting, power, and other facilities to which Seller may reasonably need access to in connection with performing the service. If Seller's service technician has to wait for more than thirty minutes for access to the compressor during a scheduled visit, additional hour charges may apply. If the technician is not allowed in and a new visit has to be scheduled, the Purchaser shall bear the mileage and displacement time charges;
- g. If any forklift and/or other lifting or rigging equipment is necessary (as reasonably determined by Seller) for Seller to perform any activity under this Contract, the Purchaser shall supply such equipment at the Purchaser's own cost together with sufficiently skilled and qualified labor in connection therewith;
- h. Take the necessary action on compressor repairs recommended by Seller;
- i. Make the compressor available for an overhaul of the compressor's element and/or main motor if shock pulse monitoring ("SPM") readings by Seller or other metrics indicate the need for an overhaul. If the Purchaser fails to do this, then Seller's responsibility to provide service for the compressor under this Agreement will cease. Seller will provide a separate quotation for overhaul costs. Overhauls are generally performed on site, otherwise freight costs and other costs may apply. After an overhaul is performed, this Contract can only be terminated early by the Purchaser paying the list price for the overhaul.
- j. Promptly return all hardware and software (including but not limited to remote monitoring products) furnished by Seller in connection with this Contract, upon expiration/termination of the Service Plan, unless expressly agreed otherwise by Seller.

5. Termination.

- a. The Service Plan for a specific compressor under this Contract may be terminated before the expiry of the term by mutual agreement in writing of the parties.
- b. Either party may terminate a specific Service Plan for a specific compressor under this Contract before the expiry of the term upon 30 days written notice of termination to the other party. Seller shall at any time be entitled to terminate this Contract, or to suspend its performance under this Contract, with immediate effect by notice in writing to the Purchaser:
 - i. In the event of any major change to the operating or site conditions of the compressor;
 - ii. If Purchaser neglects to perform the Purchaser's daily/weekly inspection and maintenance responsibilities set forth in this Contract;
 - iii. If the Purchaser commits any continuing or material breach of any term of this Contract and in the

- iv. case of such breach which is capable of remedy, fails to remedy the same within 30 days after receipt of a written notice to do so from Seller;
 - v. If the Purchaser goes into liquidation or makes any voluntary arrangement with its creditors or becomes subject to an administration order or an encumbrance takes possession of or a receiver is appointed over any of the property or assets of the Purchaser; or
 - vi. If the Purchaser ceases or threatens to cease to carry on business.
- c. Upon termination, the Purchaser is entitled to a refund for any services that have not been performed but already paid for.