



Central Air Equipment Ltd. Standard Terms and Conditions of Sale

1. **General.** All transactions with Central Air Equipment Ltd. (the "Company") for the purchase and sale of all products (the "Products") and services (the "Services") supplied by the Company to the customer (the "Customer") named in the attached (the "Quote") or acknowledgment provided to the Customer hereunder are governed by these terms and conditions of sale and supply (the "Terms and Conditions"). These Terms and Conditions are hereby incorporated as part of each purchase order from Customer for the purchase of Products ("Order") and together with the Quote and the Order form the contract (the "Contract") between the parties. An Order is deemed by the Company to be an offer to purchase, which the Company may accept or reject in its sole discretion and such acceptance is expressly conditioned on Customer's assent solely to the terms of these Terms and Conditions. If the Company's Quote is deemed to constitute an offer, it may be accepted by Customer only on these Terms and Conditions and Customer's acceptance is expressly conditioned on Customer's assent solely to these Terms and Conditions. An acceptance of or payment for any part of the Products or Services covered hereunder shall be deemed to constitute such assent. Unless otherwise specified in writing, the Quote shall expire thirty (30) days from the date thereof. Any minimum order threshold shall be determined by the applicable manufacturer of the Products.

2. **Prices; Payment Terms.**

2.1. Unless otherwise agreed by the Company in writing, the purchase price for Products ("Price[s]") shall be set out in the applicable Quote. Prices exclude sales tax. It has been assumed that the Customer shall provide a tax certificate. Notwithstanding the foregoing, prices are subject to change in the event of any material increase in the costs of energy or raw materials between the date of the Order and the date of shipment.

2.2. Customer will be solely responsible for the payment of any and all taxes, fees, levies, customs, duties, and other fees which are due as a result of, or are levied out of or in connection with the sale of Products and Services by Company, and Customer will indemnify and hold harmless Company in the event Company is liable for any such payments as a result of Customer's failure to pay such costs.

2.3. Payment in full shall be made in Canadian currency following date of invoice in accordance with the terms set forth on the applicable Order. Invoices shall be sent to the address specified in the Order. Subject to applicable laws, should the Customer dispute any invoice, Customer shall notify the Company of the nature of the dispute in writing within fifteen (15) days of the invoice date. If Customer does not notify the Company of any dispute within fifteen (15) calendar days of the invoice date, then the invoice is deemed to have been accepted and invoice payment is required to be made on the payment due date per these Terms

and Conditions. Notwithstanding any dispute regarding an invoice, the Customer shall timely pay the undisputed portion of the disputed invoice.

2.4. If Customer is delinquent in its payment obligations, Customer shall pay, in addition to the delinquent payment, a late charge equal to the lesser of eighteen percent (18%) per annum or any part thereof or the highest applicable rate allowed by law on all such delinquent amounts plus the Company's legal fees and court costs incurred in connection with collection.

2.5. Customer acknowledges that the Company has the right to reassess Customer's creditworthiness from time to time. Unless expressly prohibited by law, in the event there is a decline in Customer's creditworthiness in the Company's reasonable discretion, the Company may, upon fifteen (15) days written notice, revise the payment terms between the parties.

3. **Delivery of Products.**

3.1. Unless otherwise agreed in writing by the parties, the Company shall deliver the Products to the Customer using the Company's standard methods for packaging and shipping such Products. The Customer shall bear the costs of delivery of the Products. Delivery terms are EXWORKS shipping point for destinations in Canada and EXWORKS FACTORY (Incoterms® Rules 2020) for destinations outside of Canada.



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3.2. Any delivery dates provided in the Order are approximate only and not guaranteed. The Company shall not be liable for any delays howsoever caused, nor can the delivery dates be made of the essence by any written notice or communication. Reasonable endeavors will be made to meet delivery dates, but the Company shall not be liable for any failure to do so and any consequent right of Customer to repudiate the Order is expressly excluded.

3.3. In the event the Products arrive to the Customer damaged, the Customer must note such damages on the bill of lading issued by the carrier. If the Customer does not include a note regarding such damages on the bill of lading with the carrier, the Company shall not be liable for any such damages however caused.

3.4. The Company may, at its option and in its sole discretion, deliver the Products in one or more installments. If the Products are delivered/completed in installments, the Company shall be entitled to invoice for each installment as and when each instalment is delivered/completed.

4. **Transfer of Property.** The Company shall retain the right and title to the Products sold to the Customer until the Company receives payment in full for the Products and any taxes, excise or other charges, at which point title shall transfer to the Customer.

5. Inspection; Rejection of Products. Except set forth in Section 3.3, Customer shall have five (5) business days from the Company's delivery of Products at the

destination point set forth in the applicable Order to inspect the Products and notify the Company of rejection of Products for non-conformity with the Order. Any notice of rejection must be in writing, identify the Order and describe all non-conforming aspects of the Products. Failure by the Customer to provide notice of non-conformity within the Inspection Period, including partial delivery of Products, shall be deemed acceptance by the Customer of the Products and the Customer will be deemed to have absolutely waived any and all claims against the Company with respect to any matter arising in connection with the Products or this Contract other than with respect to the warranties contemplated in Section 7.0. If Customer timely notifies the Company of any nonconforming Products, the Company shall, in its sole discretion, (a) replace such nonconforming Products with conforming Products, (b) repair the nonconforming Products or (c) credit or refund the Price for such nonconforming Products, excluding shipping and handling expenses incurred by the Customer and travel and living expenses charged by the Company in connection therewith. Upon any express written instructions from the Company, Customer shall ship the nonconforming Products to the Company's facility from which such Product was originally shipped or such other destination confirmed by the Company in writing. If the Company exercises its option to replace nonconforming Products, the Company shall, after receiving Customer's shipment of nonconforming Products, ship to

Customer, using the same Incoterms® 2020 rules applicable to the original shipment, the replaced Products. Customer acknowledges and agrees that the remedies set forth in this Section 5 are Customer's exclusive remedies for the delivery of nonconforming Products.

6. **Cancellation.**

6.1. The Company may cancel an Order if Customer becomes insolvent or suspends any of its operations or if any petition is filed or proceeding commenced by or against the Company under any state, provincial or federal law relating to bankruptcy, arrangement, reorganization, receivership, or assignment for the benefit of creditors.

6.2. In the event Customer cancels an Order or a portion of an Order, the Company shall invoice Customer for material, labour, and restocking costs incurred by the Company as of the date of cancellation, and Customer shall pay such invoice within thirty (30) days after receipt of such invoice.

7. **Limited Warranty.**

7.1. Warranty for Third-Party Products – With respect to Products and parts not manufactured by the Company, the Company agrees to pass through the applicable manufacturer's warranty and any licenses, so long as such manufacturer does not prohibit such assignment.

7.2. Warranty for Company Products and Services –

The Company warrants (the "Warranty") that:



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(i) equipment and parts manufactured by it and supplied hereunder will (a) for 12 months from the date of delivery be free from defects in workmanship, and materials, (b) be manufactured, sold, and delivered in compliance with all applicable provincial, state and federal laws; (c) not infringe the intellectual property rights of a third party, and (d) be free of all liens, security interests, and encumbrances, and (ii) all Services hereunder will be performed in a good, safe, and workmanlike manner, in conformity with generally accepted industry standards, including applicable environmental, health and safety laws. The Company's sole obligation under this Warranty is repair or replacement of defective Products and/or re-performance of those Services that were carried out in breach of the Warranty. Travel and transportation expense, including reasonable living expenses at cost, are not The Company will not be liable if the Products are in a condition (a) which cannot be proven to have its origin in defective materials or workmanship, (b) result from the improper maintenance, repair, installation, packaging, transportation, storage, operation or use; (c) corrosion, erosion or deterioration, contamination or negligence after shipment; or (d) use of parts not manufactured or approved by the Company for use in the Products; or (e) normal wear and tear.

7.3. THE COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS OR SERVICES (OR PARTS SUPPLIED IN CONNECION WITH THE

SERVICES), WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE, AND THE COMPANY SPECIFICALLY MAKES NO WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

8. **LIMITATION OF LIABILITY.** IN NO EVENT SHALL THE COMPANY BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES, WHETHER OR NOT BASED UPON THE COMPANY'S NEGLIGENCE, BREACH OF WARRANTY OR STRICT LIABILITY IN TORT OR ANY OTHER CAUSE OF ACTION ARISING, DIRECTLY OR INDIRECTLY, IN RESPECT TO THE PRODUCT OR SERVICES PURCHASED FROM THE COMPANY, OR THE USE OR FAILURE THEREOF, INCLUDING, BUT NOT LIMITED TO, BUSINESS INTERRUPTION, LOSS OF USE, ANTICIPATED OR LOST REVENUE OR PROFIT, COST OF CAPITAL, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR REPUTATION, EMPLOYEE PRODUCTIVITY, OR FAILURE TO REALIZE EXPECTED SAVINGS. UNDER NO CIRCUMSTANCES SHALL THE COMPANY'S AGGREGATE LIABILITY ARISING OUT OF OR IN CONNECTION WITH AN ORDER EXCEED THE AMOUNT PAID UNDER THE ORDER FOR THE PRODUCTS AND SERVICES PROVIDED BY THE COMPANY. THE CUSTOMER'S REMEDIES ARE LIMITED TO THOSE EXPRESS REMEDIES SET OUT IN THIS CONTRACT.

9. **Applicable Law; Forum.**

9.1. The parties agree that unless otherwise agreed in writing,

the Contract shall in all respects be governed by and construed in accordance with the laws of the province of Alberta and the federal laws of Canada applicable therein. Customer agrees to comply with all legal requirements applicable to Customer.

9.2. Any legal suit, action, or proceeding arising out of or relating to the Contract shall be instituted in the courts Alberta, and each party irrevocably submits to the exclusive jurisdiction of such courts in any such suit, action, or proceeding. Subject to the applicable statute of limitations in the jurisdiction in which the action is being brought, no action in law or equity arising out of this Contract or the subject matter hereunder may be brought by Customer more than one (1) year after the cause of action has first arisen. The rights and obligations herein shall survive completion of the final payment under an Order.

9.3. The United Nations Convention on Contracts for The International Sale of Goods shall not apply to this Contract.

10. **Force Majeure.** The Company shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control, including but not limited to acts of war (declared or undeclared), Acts of God, fire, strike, pandemic, epidemic, labour difficulties, acts or omissions of any governmental authority or of Customer, compliance with government regulations, insurrection or riot, embargo,



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delays or shortages in transportation or inability to obtain necessary labour, materials, or manufacturing facilities from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of a delay due to any such cause, the date of delivery will be extended by a period equal to the delay plus a reasonable time to resume production.

11. **Confidentiality.** All information (the Company Information), including pricing related to the Products or Services, this Contract or any accompanying document(s), is deemed to contain information proprietary to the Company. No part of the Company Information may be reproduced or transmitted in any form without the prior written permission of the Company. Customer shall treat the Company Information as private and confidential and shall not publish or disclose the same or any particulars therefore (save as may be required by law) without the previous consent of the Company, providing nothing in this section shall prevent the publication or disclosure of any such information that has come within the public domain otherwise than by breach of this section which is required to be disclosed by law.

12. **Intellectual Property Rights.** Notwithstanding delivery of and the passing of title in any Products to Customer, nothing in this Contract shall have the effect of granting or transferring to, or vesting in, Customer any intellectual property rights in or to any Product.

13. **Security Interest.** To secure Customer's prompt and complete payment and performance of any and all present and future indebtedness, obligations and liabilities of Customer to the Company, Customer hereby grants to the Company a purchase money security interest or hypothec, as applicable, in all Products purchased under this Agreement by Customer from the Company, wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. Customer hereby authorizes the Company to file applicable financing statements, amendments, and continuation statements in connection therewith and to take all other actions the Company deems necessary or desirable to evidence the Company's security interest in such Products, and to perfect, maintain, protect, and foreclose on the security interest granted herein and Customer agrees to execute such documents to evidence and perfect such security interest as Company may require.

14. **Assignment.** Customer shall not assign an Order without the prior written consent of the Company, acting in its sole and absolute discretion, and any purported assignment shall be void. The Company may assign this Contract and its rights and obligations in connection therewith at any time without notice to the Customer.

15. **Export Control Laws.** The Products may be subject to certain Export Control Laws. Customer agrees to comply with all applicable Export Control Laws. Customer has obtained and will comply with, as applicable, all material licenses, agreements, authorizations license exceptions or exemptions required for Customer's sale, resale or other disposition of the Products. Customer agrees to indemnify, defend, and hold harmless the Company from, or in connection with, any violation of this section by Customer, its employees, agents or customers. "Export Control Laws" means all laws and executive orders of any governmental entity relating to the import or export of goods, technology, or services or trading embargoes or other trading restrictions, including without limitation, executive orders and regulations administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury and comparable foreign laws.

16. **Waiver.** No waiver by the Company of any breach of the provisions of this Contract by Customer shall be considered as a waiver of the subsequent breach of the same or any other provision or in any way affect the validity of this Contract or affect the right of the Company to enforce any other provision of this Contract.

17. **Severability.** If any provision or portion of this Contract shall be adjudged invalid or unenforceable by a court of competent jurisdiction or by operation of any applicable law, that provision or portion of this



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Contract shall be deemed omitted, and the remaining provisions and portions shall remain in full force and effect.

18. **Miscellaneous.** The Contract forms the entire agreement between the parties and any terms different from or in addition to this Contract, whether communicated orally or contained in any Order, confirmation, acknowledgment, letter, invoice, acceptance or other correspondence, shall be of no force and effect unless agreed to in writing by the parties. For greater certainty, in the event of any actual or perceived conflict between the Order and these Terms and Conditions, these Terms and Conditions will govern.