

IPL Terms and Conditions of Sale

1. General

- 1.1. These Terms and Conditions of Sale (“**T&C**”) shall govern any and all sales of products (“**Products**”) by an entity of IPL’s group (“**Supplier**”), irrespective of whether the contract of sale is concluded orally or in writing and in addition to the terms and conditions contained in Supplier’s credit application, if any.
- 1.2. By placing an order for Products, the buyer (“**Buyer**”) shall be deemed to have accepted these T&C. Supplier’s acceptance to supply the Products is conditional on acceptance by Buyer of these T&C, including any additional or different terms to Buyer’s standard terms and conditions of purchase.
- 1.3. Unless they have been explicitly accepted by Supplier in writing, no general terms and conditions used by Buyer shall be applicable. Supplier hereby expressly rejects any such terms and conditions changing or adding to these T&C.
- 1.4. Silence by Supplier shall under no circumstances be presumed to constitute acceptance or consent by Supplier, including acceptance of Buyer’s terms and conditions of purchase.
- 1.5. In the event of any conflict or inconsistency between these T&C and the terms and conditions of a supply agreement in writing between Supplier and Buyer, the provisions of the written supply agreement shall prevail.

2. Order

- 2.1. Buyer shall purchase and source from Supplier all Products by the submission of an order (by telephone or email), specifying the type and quantity of Products being ordered, the Products specifications (the “**Specifications**”), the desired delivery date (complying with lead-time provided for hereunder), and the method of delivery and delivery location (an “**Order**”).
- 2.2. No Order shall be binding upon Supplier until accepted in writing through an order acknowledgment (“**Order Acknowledgment**”). Once an Order is accepted by Supplier, Supplier shall fill each such Order pursuant to the terms of the accepted Order and the Order Acknowledgment.
- 2.3. Buyer shall have no right to alter or cancel any accepted Order. If Supplier, in its sole discretion, agrees, in writing, to allow Buyer to alter an accepted Order, Buyer shall reimburse Supplier for all costs which result from this change, including Products manufactured and being manufactured, raw materials and components rendered obsolete by such changes.
- 2.4. Should Buyer request changes to Specifications, engineering, designs, artwork or any type of changes, Buyer shall be liable towards Supplier for all costs

which result from this change including Products manufactured and being manufactured, raw materials and components rendered obsolete by such changes. Supplier may charge reasonable modification fees. Supplier may accept or reject such changes in its sole discretion.

- 2.5. Supplier may also charge a reasonable Order termination fee, together with any and all amounts outstanding, and shall have all other remedies available at law.

3. First Testing

- 3.1. Prior to use the Products, Buyer is responsible to perform, at its expenses, all tests on samples of Products required to: (i) independently assess their conformity with Product Specifications, (ii) verify conformity of the Products with any applicable law or regulation; and (iii) independently confirm and validate the Products sufficiently work, perform, and is suitable with all Buyer’s or end-user’s intended use for the Products including without limitation, the use in the manufacturing, distribution, end use system applications, production line, assembly line, automated and quality control process, transportation, palletization, warehousing, filling, conveying, and goods fabricated with or in conjunction with the Products.
- 3.2. Buyer shall promptly notify Supplier, in writing, of any nonconforming sample of Products after first testing stating with specificity all defects and nonconformities and furnishing such other written evidence or other documentation as may be reasonably required by Supplier (including the subject sample of Products, or a representative sample thereof, which Buyer contends are nonconforming Products).
- 3.3. All defects and nonconformities that are not expressly so specified shall be deemed waived by Buyer and such Products shall be deemed to have been accepted by Buyer, so that no attempted revocation of acceptance of subsequently purchased Products will be effective.

4. Pricing and Payment Conditions

- 4.1. Prices are to be paid according to Supplier’s price list effective at time of shipment of the Products. Supplier may adjust its price list from time to time, notwithstanding acceptance of an Order for Products.
- 4.2. All amounts payable shall be in the currency indicated on the invoice.
- 4.3. All prices are exclusive of any applicable taxes, customs, duties or other related fees imposed from time to time.
- 4.4. Pallets are included in the prices.

- 4.5. Unless otherwise agreed in writing, payment shall be made within 30 days of the date of invoice.
- 4.6. Supplier reserves the right to charge interest at the rate of 1% per month or 12% annually on all invoices that are in arrears, which Buyer agrees to pay. Buyer shall pay all costs incurred by Supplier in enforcing this T&C, including attorneys' fees and all execution and collection costs.
- 4.7. Buyer shall not be entitled to any other discounts or bonuses unless expressly agreed to by Supplier in writing.
- 4.8. All payments shall be made by way of Electronic Funds Transfer (EFT) for Buyer located in Canada or Automated Clearing House (ACH) for Buyer located in the United States of America, unless some other manner of payment has been agreed to by Supplier in writing. Supplier may charge additional charges for other manner of payment.
- 4.9. Supplier shall be entitled to request at any time from Buyer a guarantee or security to ensure that Buyer meets its payment obligations or any other obligations.
- 4.10. Supplier reserves the right to stop supplying should Buyer fail to make timely payments according to these T&C.

5. Delivery, Late Delivery and Transfer of Risk

- 5.1. Unless otherwise agreed in writing, all Products sold from time to time by Supplier shall be delivered by Supplier FOB Supplier plant (*Uniform Commercial Code*) or, for international delivery, Ex Works Supplier plant (latest version of the *Incoterms*).
- 5.2. Supplier shall be entitled to carry out an order as a whole or in instalments. In the event of delivery in instalments, each instalment shall be invoiced separately.
- 5.3. Buyer shall provide appropriated lead-time on all Orders for Products and on design and artwork changes.
- 5.4. The delivery deadlines indicated by Supplier shall not be regarded as definite deadlines.
- 5.5. The delivery period shall commence only if Supplier is in possession of the data, documents, consents or approvals to be obtained from Buyer necessary to manufacture the Products.
- 5.6. Should the Products not be delivered within the delivery period for whatever reason, Supplier shall not be in default, but Buyer will be entitled to request that delivery takes place within a reasonable period of time.
- 5.7. Supplier shall bear all risk of loss for the Products until Products have been placed at the disposal of the Buyer (or its designated carrier) in accordance with section 5.1 herein. At that time, risk of loss on the Products will pass to Buyer.
- 5.8. Should the Buyer refuse or neglect to take possession of the Products within a reasonable period of time, then Supplier reserves the right to immediately invoice Buyer for the Products and ship

the Products to Buyer at Buyer's costs and expenses and charge warehousing fees or cancel Order.

6. Forecast and Stocks

- 6.1. This section applies if Supplier agrees to produce and maintain any stocks of Products, labels, packaging materials and any other Buyer's specific materials or components ("**Stock**") and if there is no other form of written agreement regarding stock (for instance, a stocking agreement) signed between Supplier and Buyer.
- 6.2. Buyer authorizes Supplier to keep a reasonable level of Stock.
- 6.3. Supplier agrees to warehouse the Stock at no cost to the Buyer for the agreed period of time after the date of production (the "**Warehousing Period**") and to assume all risk of loss to the Stock in Supplier's care and custody.
- 6.4. Buyer accepts entire financial responsibility for the Stock and agrees to take possession of the Stock after expiry of the Warehousing Period. Should Buyer fail to take possession of the Stock at expiry of the Warehousing Period, fees as determined by Supplier will be due and payable by Buyer for warehousing of the Stock.
- 6.5. Upon expiry of the Warehousing Period, the Stock will be charged to Buyer at the then applicable price and under the payment terms provided for in section 4.4 herein.
- 6.6. Should the Stock be rendered obsolete for any reason whatsoever including any modifications to Specifications, discontinued Products by Buyer, etc., Buyer commits to notify Supplier's customer service as fast as possible, to immediately purchase at the then current price any obsolete Stock and to take possession any obsolete Stock. The provisions of this section will immediately apply for warehousing of the obsolete Stock.
- 6.7. Section 17.2 herein will apply to Stock upon termination of supplies.
- 6.8. If requested by Supplier and in order to plan production of the Products, Buyer will provide quarterly to Supplier with a rolling twelve (12) weeks production forecast of its non-binding, good faith estimation of the quantities of Stock to be purchased or manufactured for the next fiscal quarter. It is agreed between the parties that the forecast provided in this section is for planning purposes. Therefore, Supplier will not be liable to Buyer for any damages caused by inaccurate or poor forecasting by Buyer or sudden increase of the demand.

7. Right to Suspend Production and Delivery

- 7.1. If at any time Supplier reasonably suspects that the quality of any Product does not materially comply, or might risk not materially complying, with any applicable law, Specifications, or any other terms or conditions, Supplier will notify Buyer in writing of its intent to suspend production of any or all Products.

Supplier shall not resume such production until it is, in its sole discretion, satisfied that any such non-compliance has been fully remedied and the cause(s) thereof have been identified and corrected.

- 7.2. Supplier may immediately suspend its production and stop delivering Products following any uncured breach by Buyer of its obligations.

8. Acceptance and Rejection of Products after Delivery

- 8.1. Buyer shall inspect Products delivered within 30 days of receipt of such Products (the “**Inspection Period**”) and either (i) accept Products; or (ii) reject such Products only if any such are Nonconforming Products.
- 8.2. **Nonconforming Products** means Products that (a) do not conform to the type of Product ordered in the Order; (b) do not conform in all material respects with the Specifications; or (c) materially exceed the quantity of Products ordered by Buyer pursuant to the applicable Order.
- 8.3. Buyer shall be deemed to have accepted Products unless it provides Supplier with written notice of any Nonconforming Products within the Inspection Period, stating with specificity all defects and nonconformities, and furnishing such other written evidence or other documentation as may be reasonably required by Supplier (including the subject Products, or a representative sample thereof, which Buyer contends are Nonconforming Products).
- 8.4. All defects and nonconformities that are not expressly so specified shall be deemed waived by Buyer, and such Products shall be deemed to have been accepted by Buyer, so that no attempted revocation of acceptance will be effective.
- 8.5. No Product shall be deemed “nonconforming” that is the direct result of Buyer’s actions or any other reason set forth in section 10.1 (“**Limited Warranty**”).
- 8.6. If Buyer notifies Supplier within the Inspection Period of any Nonconforming Products, Supplier shall verify, in its reasonable discretion, whether the Products are Nonconforming Products. Notification shall not relieve Buyer from its payment obligations. If Supplier determines that the delivered Products are Nonconforming Products, Supplier shall, in its sole discretion, either:
- i. replace such Nonconforming Products with conforming Products; or
 - ii. refund to Buyer such amount paid by Buyer to Supplier for such Nonconforming Products returned by Buyer to Supplier.
- 8.7. Unless otherwise agreed in writing by Supplier and Buyer, Buyer shall, if Supplier determines that the Products are indeed Nonconforming Products, either return to Supplier such Nonconforming Products, hold such Nonconforming Products for Supplier’s pick-up, or destroy all rejected Nonconforming Products, the whole at Supplier’s election and expense. If Supplier exercises its option to replace

Nonconforming Products, Supplier shall ship to the location specified by Buyer, at Supplier’s expense and risk of loss, the replacement Products.

9. Representation and Warranty

- 9.1. Supplier represents and warrants to Buyer that:
- i. any Products purchased will be of the kind and quality designated in the Specifications and materially conform to the Specifications;
 - ii. any Products purchased will be of good quality and free of defects of materials and workmanship;
 - iii. it will maintain an insurance coverage required or normally held by a business of its nature to conduct its business;
 - iv. it will maintain in good standing all permits, certifications and licenses required in connection with the performance of its obligations.
- 9.2. On products or components of products which Supplier has acquired from third parties, Supplier shall give the same warranty, under the same conditions, as received from the suppliers of those products.
- 9.3. When Supplier is manufacturing the Products with Buyer’s Specifications for the Products, Buyer represents, warrants, and add as a condition that the Products manufactured by Supplier will not infringe any third-parties intellectual property right.

10. Limited Warranty

- 10.1. Other than to the extent specifically authorized in writing by Supplier, Supplier has no obligation with respect to Product warranty issues arising from any of the following:
- i. Buyer’s act or omissions or those of third parties;
 - ii. damage to any Product caused by accident, neglect, misuse, abuse, unusual physical stress, catastrophe, negligence, improper storage or any other improper treatment, dust or particles that may contaminate the Products, exposure to UV light, excessive temperatures, heavy top loads, chemical vapors or other adverse environmental conditions during storage;
 - iii. use of the Products other than as recommended by Supplier and/or as provided in the Specifications;
 - iv. damage to the Products caused by Buyer or Buyer’s product after delivery;
 - v. damage arising from Buyer’s production, assembly, automated or quality control process;
 - vi. Buyer’s negligence or willful misconduct, including, without limitation, the mishandling of the Products by any of Buyer’s personnel;
 - vii. any defects appearing after six (6) months of the date of delivery to Buyer of the Product; and
 - viii. any other cause beyond Supplier’s reasonable control.

11. Disclaimer

- 11.1. FOR ALL BUYERS, EXCEPT WHEN LOCATED IN THE PROVINCE OF QUEBEC (CANADA): EXCEPT FOR THE EXPRESS WARRANTY SET FORTH HEREIN, ALL PRODUCTS AND SERVICES ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS WITHOUT OTHER WARRANTY OF ANY KIND, IMPLIED OR STATUTORY. SUPPLIER, ITS AFFILIATES, SUCCESSORS, ASSIGNS, LICENSORS AND REPRESENTATIVES HEREBY SPECIFICALLY DISCLAIM ALL OTHER WARRANTIES, INCLUDING WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT AND THE IMPLIED CONDITION OF SATISFACTORY QUALITY.
- 11.2. FOR BUYERS LOCATED IN THE PROVINCE OF QUEBEC (CANADA): EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THIS AGREEMENT, ALL LEGAL WARRANTIES, INCLUDING THE WARRANTIES OF OWNERSHIP AND OF QUALITY SET FORTH IN ARTICLES 1716 OF THE CIVIL CODE OF QUEBEC, ARE EXCLUDED.

12. Recall of Products

- 12.1. If there is a recall of Products initiated voluntarily by Supplier or by order of any court or government agency, Buyer shall assist Supplier in developing a recall strategy and shall work with Supplier and all applicable government agencies in monitoring the recall operation and preparing reports that may be required in connection with the recall.
- 12.2. Buyer and Supplier shall notify each other promptly of said recall.
- 12.3. Supplier shall be responsible solely for all costs and expenses relating to any recall provided that a court of competent jurisdiction determined clearly, by a final judgment, that the recall was directly and solely caused by Supplier's acts or omission.

13. Intellectual Property

- 13.1. Supplier shall retain all intellectual property rights, including patent, trademark, copyright, trade dress, or other intellectual property rights in and to each Product.
- 13.2. Supplier represents and warrants to Buyer that the Products and all materials used in connection with the packaging and delivery of the Products will not infringe any intellectual property, including patent, trademark, copyright, trade dress, or other intellectual property rights of any third party, but only to the extent that the intellectual property to such Products and materials is owned or licensed by the Supplier. However, if Supplier manufactures Products with drawings, samples, models or in general with the indications made to Supplier by Buyer, Buyer shall guarantee that the Products to be manufactured and supplied do not infringe any intellectual property

rights, including patent, trademark, copyright, trade dress, or other intellectual property rights of any third party. Buyer shall indemnify Supplier for all claims of third parties in this regard. Supplier shall also be entitled to stop manufacturing the Products if a third party enforces its intellectual property rights against Supplier and prohibits Supplier to continue manufacturing the Products.

14. Retention of Title and Ownership

- 14.1. Title and ownership in each Product shall remain vested in Supplier until the purchase price of such Product has been paid in full by Buyer.
- 14.2. As long as title and ownership in a Product has not passed to Buyer, Buyer cannot grant any right over the Product to a third party, except within the normal exercise of its business.
- 14.3. Buyer shall handle the Products that have been delivered with retention of title and ownership with the necessary care and shall keep the Products as Supplier's recognizable property.
- 14.4. Supplier shall be entitled at any time to collect the Products that have been delivered with reservation of title and ownership and that are still present with Buyer from Buyer or their holders, if Buyer fails to meet its payment obligations or threatens to be in payment difficulties.
- 14.5. Buyer shall grant Supplier at any time free access to its premises and/or buildings for inspection of Products sold with retention of title and ownership and/or for the exercise of Supplier's rights.

15. Indemnification

- 15.1. Buyer shall indemnify, defend and hold Supplier, its directors, officers, employees, agents, representatives, successors and assigns harmless from and against any and all claims, liabilities, damages, demands, actions, costs, and expenses arising from or related to: (i) the breach by Buyer of any of its obligations, or (ii) the failure by Buyer to obtain all necessary corporate and/or government approvals, consents, permits or other authorizations necessary for Buyer to perform its obligations.

16. LIMITATION OF LIABILITY

- 16.1. In all cases in which Supplier is obliged to pay damages, these shall be limited per calendar year to an amount equal to the total value of all invoices (excluding taxes) paid by the Buyer for the particular type of Product in such calendar year, but in any event up to a maximum of \$1,000,000 for all and any claims against Supplier. This limitation should not apply in case of willful misconduct of Supplier.
- 16.2. TO THE EXTENT PERMITTED BY LAW, SUPPLIER SHALL NOT BE LIABLE TO BUYER IN CONTRACT, TORT, BREACH OF STATUTORY DUTY OR OTHERWISE FOR INDIRECT, REMOTE, CONSEQUENTIAL, SPECULATIVE, PUNITIVE, EXEMPLARY DAMAGES OR SPECIAL DAMAGES,

INCLUDING LOST PROFITS, LOST INCOME, LOST REVENUES, BUSINESS INTERRUPTION, OR LOST BUSINESS ARISING OUT OF THE LEGAL RELATIONSHIP BETWEEN SUPPLIER AND BUYER.

17. Termination

- 17.1. Supplier shall be entitled to immediately stop supplying Buyer upon the occurrence of any of the following events:
- (i) a material breach by Buyer of any of its obligations, which breach is not cured within 10 days after written notice is received, provided that such breach is capable of being cured; or
 - (ii) the filing of any petition in bankruptcy, or the commencement of any proceeding relating to the relief or readjustment of indebtedness, either through reorganization or otherwise, by or against Buyer.
- 17.2. Upon termination of supplies, Buyer shall purchase any Stock.
- 17.3. Upon termination of supplies, all sums due and payable owed by Buyer to Supplier shall immediately become due and payable.

18. Confidentiality

- 18.1. Buyer shall perpetually hold in strict confidence, and cause its respective officers, directors, employees, representatives, agents and professional advisors to hold in strict confidence, and shall not disclose to any other party, all Confidential Information (defined herein) disclosed to it by Supplier and all Confidential Information disclosed to it by Supplier relating to the Order and Order Acknowledgment. Buyer agrees to use the Confidential Information only in connection with its purchase of Products.
- 18.2. Buyer shall exert all reasonable efforts to prevent any publication or other disclosure of all Confidential Information received from Supplier without the express written consent of Supplier unless required by law; provided that, Buyer may disclose Confidential Information to those of its officers, directors, employees, representatives, agents and professional advisors who have a strict need to know of such for purposes of Buyer's obligations, who are informed by Buyer of the confidential nature of the Confidential Information and who are bound by obligations of confidentiality and limited use at least as stringent as those set forth herein.
- 18.3. Notwithstanding the foregoing, Buyer shall not be in violation of this section if Buyer is compelled by law or court order to disclose the Confidential Information, provided that Buyer gives prior written notice to Supplier so that it may seek a protective order or other relief from disclosure and provided that Buyer shall only disclose the information that Supplier's counsel accepts it is legally required to disclose.
- 18.4. **Confidential Information** means information disclosed to or known by Buyer as a consequence of

its legal relationship with Supplier and not generally known in the industry in which Supplier is engaged and that in any way relates to Supplier's or any of its affiliates products, services, processes, inventions (whether patentable or not), formulas, techniques or know-how, including, but not limited to, trade secrets, information relating to distribution systems and methods, customers, research, development, manufacturing, purchasing, accounting, engineering, marketing, merchandising and selling. The term **Confidential Information** shall not include information that is (i) already known by Buyer prior to the time it is disclosed by Supplier, as evidenced by pre-existing records, (ii) in the public domain at the time of disclosing of the information, as evidenced by pre-existing records, or (iii) that comes into the public domain through no acts or omissions of Buyer.

19. Force Majeure

- 19.1. Supplier shall not be deemed in default to the extent that performance of its obligations or attempts to cure any breach are delayed or prevented by reason of any act of God, fire, natural disaster, accident, act of government or authorities, act of terrorism, pandemic, epidemic, or any other act or contingency that is beyond the reasonable control of Supplier (a "**Force Majeure Event**").
- 19.2. In the event of such a Force Majeure Event, the time for performance or cure shall be extended equal to the duration of the Force Majeure Event.

20. Right to Retention

- 20.1. Supplier shall be entitled to retain items of Buyer which Supplier has in its possession until Buyer has fulfilled its payment obligations, irrespective of whether the retained items are related to the payment obligations. Supplier shall have the same right in the event of bankruptcy of Buyer.

21. Execution by Affiliates or Third Party

- 21.1. Supplier's obligations may, from time to time, be executed by an affiliate, subsidiary or entity of Supplier's group or a third party, such as a distributor.

22. Severability

- 22.1. If any provision of these T&C is held to be invalid or unenforceable, in whole or in part, such invalidity or unenforceability shall not affect any other provision of these T&C and all other provisions of these T&C shall continue in full force and effect. Such invalid or unenforceable provision shall be replaced with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such invalid or unenforceable provision.

23. Choice of Law; Jurisdiction; Venue

- 23.1. Any claim arising out of or relating to the legal relationship between Supplier and Buyer shall be governed, enforced, and construed under the laws of

the State or the Province where the Products are manufactured, without regard to conflicts of law principles. The applicability of the United Nations Convention for the international sale of goods, if the same would otherwise apply, is expressly excluded.

23.2. Any action or suit concerning or arising out of the legal relationship between Supplier and Buyer shall be brought exclusively in the judicial district where the Products are manufactured. When applicable, each of the parties hereto waives, to the fullest extent permitted by applicable law, any right to trial by jury in any suit or proceeding arising out of or relating to these T&C.