

TERMS AND CONDITIONS OF GOODS SALE

1. Application

These Terms and Conditions shall apply to the purchase of the goods detailed overleaf ("Goods") by you ("Buyer") from Tapflo Canada Inc., a company is incorporated under the Canada Business Corporations Act under number 1353786-2 whose registered office is at 101-43 Keefer Court, Hamilton ON L8E 4V4 ("Seller"). No other terms and conditions shall apply to the sale of the Goods unless agreed upon in writing between the Buyer and Seller. Seller hereby expressly rejects the applicability of any and all terms and conditions of Buyer.

2. Interpretation

- 2.1 A "business day" means any day other than a Saturday, Sunday or bank holiday.
- 2.2 "Normal working hours" means a business day between the hours of 08.30 to 17.00.
- 2.3 The headings in these Terms and Conditions are for convenience only and shall not affect their interpretation.
- 2.4 Words imparting the singular number shall include the plural and vice-versa.

3. Goods

- 3.1 The descriptions of the Goods are as set out in the Seller's product database and confirmed in this quotation. In accepting this quotation, the Buyer acknowledges that it does not rely on any other representations regarding the Goods save for those made in writing by the Seller. No descriptions of the Goods set out in the Seller's specifications or brochures shall be binding on the Seller and are intended as a guide only.
- 3.2 The Seller reserves the right to make any changes in the specification of the Goods which are required to conform to any applicable safety or other statutory or regulatory requirements.

4. Price

- 4.1 The price ("Price") of the Goods shall be confirmed in this quotation.
- 4.2 If the cost of the Goods to the Seller increases due to any factor beyond the Seller's control including, but not limited to, material costs, labour costs, alteration of exchange rates or duties, or changes to shipping rates, the Seller reserves the right to increase the Price prior to delivery.
- 4.3 Any increase in the Price under sub-Clause 4.2 shall only take place upon the Seller informing the Buyer of the increase in writing.
- 4.4 The Buyer may be entitled to discounts subject to and in accordance with any details set out in the Seller's price list current at the date of the Buyer's order or as may be agreed in writing by the Seller and the Buyer. The Buyer shall not necessarily be entitled to a discount. Any and all discounts shall be at the discretion of the Seller and detailed within the quotation.
- 4.5 The Price within the quotation is not inclusive of fees for packaging and transportation/delivery.
- 4.6 The Price is inclusive of any applicable VAT and other taxes or levies which are imposed or charged by any competent authority.

5. Quotation and Basis of Sale

- 5.1 Details of the Goods in sub-Clause 3.1 are subject to alteration without notice and do not constitute contractual offers to sell the Goods which are capable of acceptance.
- 5.2 The Seller is not obliged to accept an order from the Buyer if the Buyer does not supply references which are requested by, and satisfactory to, the Seller. If at any time the Seller is not satisfied as to the creditworthiness of the Buyer, it may give written notice to the Buyer that no further credit will be allowed, in which case no further Goods will be delivered other than against cash payment.
- 5.3 This quotation constitutes written acceptance and confirmation by the Seller of the Buyer's order for the Goods.
- 5.4 Having issued this quotation, which is a contractual offer to sell the Goods, the Seller agrees to enter into a contract for the sale of Goods upon the Buyer's written acceptance of this quotation and of these Terms and Conditions.
- 5.5 This quotation is valid for a period of 30 days only from the date shown overleaf unless expressly withdrawn by the Seller at an earlier time.
- 5.6 Either the Seller or the Buyer may withdraw the quote for any reason prior to the Buyer's acceptance (or rejection) of this quotation.

6. Payment

- 6.1 Following the Buyer's acceptance of this quotation, the Seller shall invoice the Buyer for the Price either:
 - (a) on or at any time after delivery of the Goods; or
 - (b) where the Goods are to be collected by the Buyer or where the Buyer wrongfully fails to take delivery of the Goods, at any time after the Seller has notified the Buyer that the Goods are ready for collection or the Seller has tendered delivery of the Goods; or
 - (c) at the agreed payment term milestones.
- 6.2 The Buyer shall pay the Price within 30 days of the date of the Seller's invoice or otherwise in accordance with any credit terms agreed between the Seller and the Buyer.
- 6.3 Payment must be made by the Buyer notwithstanding that delivery may not have taken place and/or that title in the Goods has not passed to the Buyer.
- 6.4 If the Buyer fails to make payment within the period in sub-Clause 6.2, the Seller shall suspend any further deliveries to the Buyer and charge the Buyer interest at the rate of 0.5% per annum above the Bank of Canada base rate from time to time on the amount outstanding until payment is received in full.
- 6.5 Time for payment shall be of the essence of the Contract between the Seller and the Buyer.
- 6.6 All payments must be made in Canadian Dollars unless otherwise agreed in writing between the Seller and the Buyer.

7. Delivery

7.1 The Seller shall arrange for the delivery of the Goods on or as near as reasonably possible to the delivery date detailed in this quotation to the address specified in the Buyer's Purchase Order or to another location as agreed in writing between the Seller and the Buyer. If no delivery date is detailed, the Goods will be delivered as soon as available.

7.2 If no delivery address is specified by the Buyer or if it is so agreed between the Seller and the Buyer, the Buyer shall collect the Goods from the Seller's premises at any work time (Monday-Friday, 8:30 – 17:00) after the Seller has notified the Buyer that the Goods are ready for collection.

7.3 Subject to the specific terms of any special delivery service, delivery may take place at any time of the day and must be accepted at any time of the day.

7.4 If the Buyer fails to take delivery of the Goods, the Seller may, at its discretion and without prejudice to any other rights:

(a) store or arrange for the storage of the Goods and shall charge the Buyer for all associated costs and expenses including, but not limited to, transportation, storage and insurance; and/or

(b) make arrangements for the redelivery of the Goods and shall charge the Buyer for the costs of such redelivery.

7.5 If redelivery is not possible under sub-Clause 7.4(b), the Buyer shall be required to collect the Goods from the Seller's premises and shall be notified of the same. The Seller reserves the right to charge the Buyer for all associated costs including, but not limited to, storage and insurance.

7.6 If the Seller fails to deliver the Goods on the delivery date other than for reasons beyond its control, the Buyer may give written notice to the Seller within 24 hours after the delivery date requiring the Seller to deliver the Goods within 48 hours of that notice ("Notice Period").

7.7 If the Seller receives no notice from the Buyer under sub-Clause 7.6, it shall have no liability in respect of late delivery provided that it delivers the Goods at any time after the delivery date.

8. Inspection of Goods

8.1 The Buyer shall be under a duty to inspect the Goods on delivery or collection.

8.2 If the Goods cannot be examined, the carrier's note or such other note as appropriate must be marked "not examined."

8.3 If the Buyer identifies any damage or shortages, it must inform the Seller in writing within 24 hours of delivery, providing details of the alleged damage or shortage. The Seller shall be under no liability if the Buyer fails to provide such notice.

8.4 The Seller must be permitted to inspect the affected Goods before the Buyer uses, alters or modifies them in any way.

8.5 Subject to the Buyer's compliance with this Clause 8 and the Seller's agreement with any alleged damage or shortages, the Seller shall make good any and all damage and shortages within a reasonable time.

8.6 The Seller shall be under no liability for and shall not indemnify the Buyer against any matters arising from damage or shortages.

9. Returns

9.1 Goods may not be returned without the prior written agreement of the Seller. Custom or bespoke builds are non-returnable without prior authorisation from the Seller.

9.2 Subject to sub-Clause 9.4, the Seller shall only accept returned Goods if it is satisfied that those Goods are defective and that such defects would be apparent on inspection.

9.3 The Seller shall have the option of either replacing defective Goods within the lead time quoted at the time of receipt of them or shall refund to the Buyer the Price for those Goods which are defective.

9.4 The Buyer may return any Goods within 30 days of delivery provided that:

(a) the Buyer bears the risk and cost of returning the Goods;

(b) the Buyer indemnifies the Seller against any costs incurred in rectifying any deterioration of the Goods resulting from the Buyer's incorrect handling or storage of the Goods;

9.5 The Seller shall not be liable for defects arising out of normal wear and tear, the Buyer's failure to follow any instructions given by the Seller, misuse or alteration of the Goods, negligence, wilful damage or any other act of the Buyer, its employees, agents or any other third party.

10. Risk and Title

10.1 Risk of damage to or loss of the Goods shall pass to the Buyer when the Goods are delivered to the Buyer.

10.2 If the Buyer wrongfully fails to take delivery of the Goods, risk shall pass to the Buyer at the time when the Seller has tendered delivery of the Goods.

10.3 Legal and beneficial title in the Goods shall not pass to the Buyer until the Seller has received, in cash or cleared funds, payment in full of the Price.

10.4 The Seller reserves the right to repossess any Goods for which it retains legal and beneficial title, should full payment not be received in accordance with Clause 6. In such an event, the Buyer shall, at its own expense, return the Goods – over which title has not yet passed – to the Seller.

10.5 The Buyer's right to possession of the Goods in which the Seller retains legal and beneficial title shall terminate if:

(a) the Buyer commits a material breach of its obligations under these Terms and Conditions;

(b) the Buyer is or becomes the subject of a bankruptcy order or takes advantage of any other statutory provision for the relief of insolvent debtors;

(c) the Buyer enters into a voluntary arrangement, or any other scheme or arrangement is made with its creditors; or

(d) the Buyer convenes any meeting of its creditors, enters into voluntary or compulsory liquidation, has a receiver, manager, administrator or administrative receiver appointed in respect of its assets or undertakings or any part thereof, any documents are filed with the court for the appointment of an administrator in respect of the Buyer, notice of intention to appoint an administrator is given by the Buyer or any of its directors or by a qualifying floating charge holder, a resolution is passed or petition presented to any court for the winding up of the Buyer or for the granting of an administration order in respect of the Buyer, or any proceedings are commenced relating to the insolvency or possible insolvency of the Buyer.

11. Rights, Warranties and Liability

11.1 Subject to these Terms and Conditions and except where the Buyer is purchasing the Goods as a consumer, all warranties, conditions or other terms implied by statute or common law (save for those implied by Sale of Goods Act, R.S.O. 1990, c. S.1, s.13) are excluded to the fullest extent permitted by law.

11.2 The Seller shall not be liable for any loss or damages of any nature, direct or indirect, including any loss of profits or consequential damages suffered or incurred by the Buyer for whatever reason.

11.3 The exclusions of liability contained within this Clause 11 shall not exclude or limit the liability of the Seller:

- (a) for death or personal injury caused by the Seller's negligence;
- (b) for any matter for which it would be illegal for the Seller to exclude or limit its liability; and
- (c) for fraud or fraudulent misrepresentation.

11.4 The warranty period on the equipment quoted is 12 months from the date of delivery. The warranty provides 12 months' cover for parts and 12 months' cover for labour.

The warranty covers all parts and labour within the Seller's scope of supply, including those parts of other manufacturers supplied by the Seller as part of this contract. It does not extend to parts which, in the opinion of the Seller, have been subjected to misuse, neglect, normal wear and tear, or accident. Warranty is only valid on the basis that the equipment is serviced and tested in accordance with manufacturers' guidelines.

11.5 For all warranty-related site visits, an order number is required in advance of the visit to cover labour and parts. In the event of the visit being as a result of a manufacturing defect, the invoice value will be credited. In the event of the visit not being covered by the warranty, the invoice will be charged in full and subject to the payment term set in sub-clause 6.2.

Extended Warranty Notes

Unless specified by the Seller, no extended warranty is provided. In the event that extended warranty is offered, this will be under the Seller's standard warranty terms and will only cover defects in design, material, and workmanship.

12. Communications

12.1 All notices under these Terms and Conditions shall be in writing and signed by, or on behalf of, the party giving notice (or a duly authorised officer of that party).

12.2 Notices shall be deemed to have been duly given:

- (a) when delivered, if delivered by courier or other messenger (including registered mail) during the normal business hours of the recipient;
- (b) when sent, if transmitted by fax or email and a successful transmission report or return receipt is generated;
- (c) on the fifth business day following mailing, if mailed by national ordinary mail; or
- (d) on the tenth business day following mailing, if mailed by airmail.

12.3 All notices under these Terms and Conditions shall be addressed to the most recent address, email address or fax number notified to the other party.

13. Force Majeure

Neither party shall be liable for any failure or delay in performing their obligations where such failure or delay results from any cause that is beyond the reasonable control of that party. Such causes include, but are not limited to: power failure, Internet service provider failure, industrial action, civil unrest, fire, flood, storms, earthquakes, acts of terrorism, acts of war, governmental action or any other event that is beyond the control of the party in question.

14. No Waiver

No waiver by the Seller of any breach of these Terms and Conditions by the Buyer shall be considered as a waiver of any subsequent breach of the same or any other provision.

15. Severance

In the event that one or more of these Terms and Conditions is found to be unlawful, invalid or otherwise unenforceable, that/those provisions shall be deemed severed from the remainder of these Terms and Conditions (which shall remain valid and enforceable).

16. Law and Jurisdiction

16.1 These Terms and Conditions, including any non-contractual obligations arising out of or in connection with them, shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

16.2 The parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Ontario in respect of any dispute, controversy, proceeding, or claim arising out of or relating to these Terms and Conditions, including any non-contractual obligations.

17. Custom Projects & Capital Equipment

This Clause 17 applies where the Goods form part of a capital equipment order, engineered solution, or custom-built project. This includes, but is not limited to, process skids, CIP systems, chemical dosing units, automated platforms, and any systems designed or manufactured to a customer-specific scope.

17.1 Scope of Supply

17.1.1 The Seller shall supply the Goods in accordance with the specification detailed within the quotation, order confirmation, or other written agreement. It is the responsibility of the Buyer to ensure that the specification meets its operational, technical, and regulatory requirements.

17.1.2 The Seller shall not be liable for any errors, omissions, or non-conformities arising from incomplete, incorrect, or missing information provided by the Buyer.

17.1.3 The Buyer confirms design approval in writing by issuing a Purchase Order to the Seller. Delays in approval shall automatically extend the delivery period and may result in additional charges.

17.2 Intellectual Property and Documentation

17.2.1 All designs, schematics, P&IDs, wiring diagrams, automation logic, PLC/HMI software, operational manuals, control sequences, and associated technical documentation produced by the Seller remain the sole and exclusive property of the Seller.

17.2.2 No intellectual property rights shall transfer to the Buyer.

17.2.3 The Buyer is granted a non-exclusive, non-transferable licence to use any such content solely in connection with the operation and maintenance of the system supplied by the Seller at the original installation site.

17.2.4 The Buyer shall not reproduce, disclose, share, modify, repurpose, or use the content in whole or in part for any other application, project, or third party, without the prior written consent of the Seller.

17.3 Milestone Payments and Invoicing

17.3.1 For project-based orders, the Seller shall invoice in accordance with the milestone structure set out in the quotation or agreed in writing.

17.3.2 Milestones may include, but are not limited to:

- (a) Receipt of a Purchase Order and initial deposit to begin project works
- (b) Design sign-off to commence manufacturing
- (c) Commencement of manufacture
- (d) FAT completion
- (e) Dispatch
- (f) SAT/commissioning

17.3.3 Where a milestone is delayed due to Buyer action or omission, the Seller shall retain the right to issue the invoice and payment shall fall due in accordance with Clause 6.2.

17.3.4 Date of initial agreed deposit payment receipt will be the commencement of the quoted lead time. No project shall be dispatched until the corresponding milestone payment has been received in full and cleared funds.

17.3.5 Delayed milestone payments or drawing sign-off may constitute increase in quoted lead time and any project schedule issued.

17.4 Factory and Site Acceptance Testing (FAT/SAT)

17.4.1 FAT will be conducted at the Seller's facility where included, and shall be witnessed by the Buyer upon invitation. Test protocols must be agreed in advance.

17.4.2 SAT, where applicable, will be performed on-site following mechanical and electrical installation (unless otherwise stated). SAT is conditional on full site readiness and availability of required utilities.

17.4.3 Any delays caused by lack of access, incomplete services, or site readiness issues shall be chargeable to the Buyer. Rebooking, day rates, and expenses for the Seller's personnel shall be invoiced separately.

17.4.4 SAT completion or, where SAT is not included, the Buyer's first operational use of the system shall constitute beneficial use. From this point, warranty will commence in accordance with Clause 11.4.

17.5 Commissioning and Site Services

17.5.1 Where commissioning is included, the Seller will provide services as detailed in the quotation. The Buyer shall provide unrestricted access to site and ensure availability of utilities and safety compliance.

17.5.2 Commissioning dates shall be arranged in writing. Rebooking of commissioning visits due to Buyer-related delays may incur cancellation charges.

17.5.3 If commissioning is not included, the system shall be deemed accepted 14 calendar days after delivery or first use, whichever occurs first.

17.6 Snagging, Handover, and Acceptance

17.6.1 The system shall be deemed handed over following either successful completion of SAT or, if no SAT is included, 14 calendar days from delivery or beneficial use.

17.6.2 The Buyer shall inspect the system and raise any snagging items in writing within 7 calendar days of handover.

17.6.3 The Seller shall review and address valid snagging items within a reasonable timeframe. Failure to raise snagging issues within this period shall constitute full

acceptance of the system in working order.

17.7 Buyer Responsibilities

17.7.1 The Buyer shall be responsible for the following unless otherwise agreed in writing:

- (a) Offloading and positioning of equipment
- (b) Electrical installation and connection of power
- (c) Supply and connection of utilities (air, water, drainage, internet)

- (d) Civil works, pipework, cable containment or building alterations
- (e) Integration of the system with third-party infrastructure or equipment
- (f) Site validation, cleaning protocols, and final sign-off processes

17.7.2 Any delays or costs arising from failure to fulfil the above responsibilities will be chargeable to the Buyer.

17.8 Variations and Change Control

17.8.1 No changes to scope, specification, delivery schedule or pricing shall be valid unless agreed in writing by both parties.

17.8.2 The Seller reserves the right to refuse variation requests which, in its view, affect technical integrity, compliance, manufacturability, or safety.

17.8.3 Where variations are accepted, the Seller shall issue a revised quotation and update the delivery schedule accordingly. Variations shall not proceed until formally approved in writing by the Buyer.

17.9 Exclusions and Limitations Specific to Projects

17.9.1 Unless expressly stated, the Seller shall not be responsible for:

- (a) Third-party validation, GMP qualification or sign-off documentation
- (b) Hazardous area classification
- (c) Regulatory approvals, inspections, or external compliance audits
- (d) System cleaning, sterilisation or passivation
- (e) Supply of consumables or replacement parts beyond initial delivery

17.9.2 The Seller accepts no liability for delays or costs caused by Buyer-appointed contractors, third-party suppliers, building access restrictions, or external conditions beyond the Seller's control.