



Clearpath Robotics Inc.

Terms and Conditions of Purchase - Services and/or Goods

These terms are agreed and made between Clearpath Robotics Inc. doing business as Clearpath or as OTTO Motors ("**Buyer**") and the Vendor (this "**Agreement**"), as defined on the purchase order which references or attaches this Agreement (the "**Purchase Order**"), for the services and/or goods to be provided by Vendor (the "**Product**") as detailed in the Buyer's Purchase Order(s) (as defined below) in accordance with the terms and conditions set forth below.

Vendor shall issue to Buyer a quote setting out the details of the Product, including price (the "**Proposal**"). Buyer shall accept the Proposal by issuing the Purchase Order to Vendor. All Proposals and Purchase Orders for the Product shall be governed by the terms and conditions of this Agreement. In case of conflict between this Agreement and a Purchase Order, or between the Vendor Proposal and the Purchase Order, the Purchase Order shall govern.

1. **DESCRIPTION.**

Subject to the terms and conditions of this Agreement, Buyer hereby agrees to purchase from Vendor and Vendor hereby agrees to sell and deliver to Buyer the Product as set forth under the Purchase Order. The amount of the purchase price and currency shall be as set forth under the Purchase Order.

2. **FEES AND TAXES.**

Unless otherwise specified, the purchase price is the total cost and includes any and all applicable taxes, import or export duties, tariffs, and customs charges, and all fees and costs related to patents, permits, royalties, licences, boxing, insurance.

3. **INSPECTION AND ACCEPTANCE.**

All Products are subject to inspection and approval by Buyer prior to acceptance by Buyer. Neither delivery of Product to Buyer, nor the Product receiving inspection, nor payment for the Product by Buyer shall constitute acceptance of goods by Buyer. Buyer shall have no obligation to pay for or give other consideration for rejected Product.

4. **TITLE AND RISK.**

Vendor warrants that delivered Product is free of all liens, encumbrances and other defects of title. Title to the Product shall pass to Buyer upon delivery. Without prejudice to Buyer's right of rejection under "INSPECTION AND ACCEPTANCE", risk shall pass to Buyer upon delivery of the Product to the destination specified by Buyer.

5. **PRICES AND PAYMENT.**

Vendor shall issue invoices to Buyer as indicated on the Purchase Order, or upon delivery of the Product. Unless otherwise specified under Vendor's Proposal or unless reasonably disputed by Buyer, the purchase price shall be paid by Buyer net sixty (60) days from the date of receipt of Vendor's invoice or completion of the Product, whichever is latest.

6. BUYER'S PROPERTY.

All tooling referenced on any purchase order from the Buyer is owned by the Buyer unless otherwise specified in the Buyer's Purchase Order. Further provisions for this ownership are as follows:

- (a) Any property provided by Buyer or owned by Buyer and that is in Vendor's possession must be maintained in good repair by Vendor at its expense as long as it is in Vendor's possession and, when surrendered to Buyer, if worn, broken, or damaged, may be repaired by Buyer with all costs charged back to Vendor.
- (b) Vendor agrees that it has no ownership in Buyer's property and that Buyer has the right, at any time, with or without cause and without payment of any kind, to retake possession of or request return of any of Buyer's property. Vendor shall not transfer any interest in, or otherwise deliver possession of, Buyer's property to any person or entity other than to Buyer or such other person or entity as is designated by Buyer in writing. Buyer's property shall at all times be stored in a secure, covered and locked area at the facility to which it is shipped or at such other location as Buyer may approve in writing.
- (c) Vendor hereby waives any statutory, equitable or other lien or other rights that Vendor may otherwise have on any of Buyer's property, including without limitation tool and toolmaker's, mold and molder's, mechanic's, laborer's, and builder's liens. Vendor shall not voluntarily permit any such lien or claim to be filed or otherwise imposed on any part of the Products or Buyer's site. If any such lien or claim is filed and Vendor does not promptly cause such lien to be released and discharged, or in lieu thereof file a bond for payment of such lien in form and amount satisfactory to Buyer, Buyer shall have the right to pay all sums necessary to obtain such release and discharge and to recover all amounts so paid from Vendor (including through a setoff against the purchase price for the Products).
- (d) Any of Buyer's property that is in Vendor's possession must contain labeling that is clearly visible and legible and must contain the following information: a tag or stamp clearly indicating that such property is owned by Buyer and Buyer's order or other identifying number. Vendor will apply additional labeling as required in writing by Buyer.
- (e) Vendor shall enter into any Bailment Agreement required by Buyer for the purpose of perfecting Buyer's title and access to Buyer's property in the possession of Vendor.

7. CONFIDENTIALITY AND PROPRIETARY RIGHTS.

During the course of this Agreement, either party may have or may be provided access to the other's confidential information and materials. If Vendor and Buyer have entered into a separate written agreement governing the use and control of each party's confidential information, such written agreement shall control. If no such agreement has been agreed to, each party agrees to maintain such information in confidence and to limit disclosure and use of such information to the extent necessary for the parties to carry out their respective obligations set forth in this Agreement. Vendor shall treat as confidential and shall safeguard all knowledge and information acquired by Vendor from Buyer. Vendor shall not use such information except to fulfil its obligations under this Agreement.

8. WARRANTY.

In addition to other express or implied warranties, Vendor warrants to Buyer that:

- a. the Product shall:
 1. be provided in a professional and workmanlike manner;
 2. be in accordance with applicable and reasonable commercial standards;
 3. comply with any applicable law, rule or regulation;
 4. not violate or infringe upon any copyright, trade secret or other contractual, employment or confidentiality right of a third party; and

- b. for a period of eighteen (18) months from the completion of the Product (hereinafter, "Warranty Period") that the Product shall:
 1. be fit for its intended purposes;
 2. be free from defects in design, materials and workmanship;
 3. comply with any applicable law, rule or regulation in effect at the time of completion of the Product; and
 4. not violate or infringe upon any copyright, trade secret or other contractual, employment or confidentiality right of a third party in effect at the time of the completion of the Product.

Vendor shall have no obligation under this Warranty Period with respect to any defect unless it receives notice and description of such defect in the Product within 30 days of the end of the Warranty Period. Vendor shall notify Buyer in writing within ten calendar days of any Vendor Product recall. The warranty for latent defects shall be perpetual.

9. INDEMNITY.

Vendor agrees to defend, indemnify and hold harmless Buyer from and against all claims, demands, losses, costs, damages, actions, suits or other proceeding by whomever made, filed or prosecuted in any manner arising from the provision of the Product and this Agreement.

10. INSURANCE.

Vendor and any subcontractor used by Vendor in connection with this Purchase Order shall carry, at all times while goods or services are being supplied under this Purchase Order, comprehensive general liability insurance, comprehensive automobile liability insurance, worker's compensation insurance, and errors and omissions insurance.

11. DEFAULT; TERMINATION.

- a. Any material breach of this Agreement by either party shall constitute default if the defaulting party has not (1) cured its performance within thirty (30) days after written notice of default is received, or (2) within such thirty (30) day period, presented the non-defaulting party with a reasonably acceptable plan to cure its performance.
- b. Buyer reserves the right to terminate or amend delivery dates of this Agreement for convenience on ten (10) days notice to Vendor, without incurring liability to Vendor except as specifically set out herein. If this Agreement is terminated or cancelled by Buyer prior to the completion of performance by Vendor, Buyer shall as a condition of such cancellation, be obligated to pay Vendor's reasonable costs and expenses incurred or committed prior to the date of such termination or cancellation in respect of all Product completed or provided by Vendor to Buyer. Buyer agrees to pay such termination settlement within fifteen (15) days of receipt of Vendor's invoice.
- c. Vendor's warranties provided hereunder shall survive the termination of this Agreement.

12. INTELLECTUAL PROPERTY.

The parties agree that all drawings, documents, designs, models, inventions, computer programs, computer systems, computer code, data, test plans, computer documentation and other tangible materials authored or prepared by Vendor for the Buyer are the sole and exclusive property of the Buyer and shall be considered works made for hire; provided, however, that the definition of "Works" and the Buyer's ownership shall not extend to and therefore specifically excludes any intellectual property of Vendor or of a third party or to any pre-existing proprietary processes or equipment used to produce the Works and which belong

to Vendor or its third party subcontractors, so that specifically, and without limitation, Vendor's existing intellectual property and other tangible and intangible materials that are delivered in connection with the Product that constitute customary modifications or adaptation of Vendor intellectual and will remain the sole property of the Vendor.

13. RIGHTS IN DATA AND INVENTIONS.

The Vendor shall have or retain the entire right, title and interest to all data first produced or specifically used by the Vendor in the performance of the Agreement, except for the Buyer-furnished data received by the Vendor. The Vendor grants to the Buyer the perpetual right to use the data delivered by the Vendor hereunder for the purposes of the Agreement and the Buyer's own use and sale of the Product(s) furnished by the Vendor.

14. WORK MADE FOR HIRE.

Notwithstanding Article 12 above, from time-to-time Buyer may purchase engineering services ("Services") from Vendor and Vendor agrees to and hereby does assign and transfer to Buyer all right, title and interest in and to all inventions, intellectual property arising from the Services performed hereunder. It is further understood and agreed that all inventions and intellectual property arising or created pursuant to the performance of services during the term of this Agreement will be owned by and shall remain the property of Buyer. To the extent allowed by law, any intellectual property developed during the performance of Services under the Agreement, shall be considered a "work made for hire" as defined in U.S. copyright law.

15. HEALTH, SAFETY AND THE ENVIRONMENT.

In providing the Product(s), Vendor shall take necessary safety and other precautions to protect persons and property from damage, injury or illness and shall be responsible for the compliance by its personnel and any Sub-Vendors with all applicable laws, policies, procedures and rules of work governing occupational health and safety, workers compensation requirements, hazardous products, and the environment.

All Product(s) shall be delivered by Vendor in full compliance with all Workplace Hazardous Materials Information System (WHMIS) and Transportation of Dangerous Goods packing, labelling and transportation requirements.

16. LAST TIME BUY.

If Vendor plans to remove or discontinue any of the Products purchased under this Purchase Order (including spare parts and components) from its product line, it shall notify Buyer of the intended removal, in writing, at least twelve months in advance. Before the expiration of the twelve months notice period, Buyer shall have the right to place a final order for the quantity of applicable Products (including spare parts and components) required by Buyer. Vendor shall deliver the Products so ordered, and the delivery time(s) for such final order shall be confirmed and specified on the face of the Purchase Order for the last time buy.

17. SEVERANCE.

Should any provision of the Agreement be declared invalid by any tribunal, then such provision shall automatically be revised to the minimum extent necessary to satisfy the requirements for validity as declared at such time in a manner calculated to lead to the same economic effect as the original terms of the Agreement.

18. GOVERNING LAW.

This Agreement shall be governed and construed in accordance with the laws of Ontario, Canada, without regard to any conflicts of laws principles and each party submits to the jurisdiction of the courts of the Province of Ontario.

Vendor shall comply with all applicable laws and regulations, by-laws and directives relating to the provision of goods and services hereunder, including without limitation all those relating to occupational health and safety, environmental protection, hazardous products and workers' safety insurance board requirements. The provisions of the United Nations Agreement on the International Sale of Goods are hereby excluded.

The Parties agree that, at all times in connection with and throughout the course of this Agreement, any Purchase Order issued under this Agreement and thereafter, they will comply with and that they will take reasonable measures to ensure that their subcontractors, agents or other third parties, subject to their control or determining influence, will comply with Part I of the ICC Rules on Combating Corruption 2011, which is hereby incorporated by reference into this Agreement, as if written out in this Agreement.

Vendor represents and warrants to Buyer that Vendor, any subcontractors, and its manufacturers of Product prohibit any form of human trafficking, child labour or other exploitation of children, in compliance with applicable labour and employment laws and standards, including the International Labour Organization's Minimum Age Convention (No. 138) and the International Labour Organization's Forced Labour Convention (1930) (No. 29). Vendor further represents and warrants that it undertakes periodic inspections or reviews of any subcontractors and manufacturers of Product to ensure compliance with the foregoing and disqualifies such Subcontractors and manufacturers determined to be non-compliant.

19. CHANGES.

Buyer may delay delivery dates from Vendor upon written notice to Vendor.

Buyer may otherwise, at any time, request changes or additions within the general scope of this Agreement for consideration by Vendor. If any such change causes any increases or decrease in the cost or schedule, Vendor shall notify Buyer in writing and an appropriate equitable adjustment will be made in the price or time of performance, or both, by written modification of the Agreement. Vendor shall not be required to proceed with a change order unless agreed upon in writing by a duly authorized representative of the Buyer and Vendor.

20. INDEPENDENT CONTRACTORS.

The parties are independent contractors of one another. Nothing herein shall be deemed to create any relationship of agency, partnership or joint venture between the parties.

21. NO WAIVER.

The waiver of a breach or default under this Agreement shall not be interpreted to constitute waiver of any subsequent breach or default, and shall not act to amend or negate the rights of the parties.

22. ENTIRE AGREEMENT.

This Agreement supersedes all prior agreements and understandings between the parties related to the subject matter hereof and is intended by the parties as the complete and exclusive statement of the terms of the Agreement between the parties and shall take precedence over any term or condition appearing in any Vendor quotation, Vendor order acknowledgement, purchase or other order or similar document placed by the Buyer with Vendor. This Agreement shall not be modified, except by written agreement signed by both parties. The terms and conditions of this Agreement shall apply notwithstanding different

terms and conditions or any ordering document or other form submitted by the Buyer, which terms shall be void and no effect.



TERMS AND CONDITIONS OF PURCHASE – SERVICES AND/OR GOODS

INSURANCE APPENDIX – CONTRACT MANUFACTURING

Equipment Supplier (“Vendor”) and any subcontractor used by Vendor in connection with this purchase order shall, at all times while goods or services are being supplied under this purchase order, carry adequate comprehensive general liability insurance, adequate comprehensive automobile liability insurance, worker’s compensation insurance and errors and omissions insurance with the following minimum limits:

- i. Workers' Compensation Insurance either meeting statutory requirements or in the minimum amount of \$1,000,000 for any one occurrence;
- ii. Commercial General Liability Insurance including Premises Liability and contractual Liability, in which the limit of liability for property damage and bodily injuries, including accidental death, shall be at a minimum, a combined single limit of \$5,000,000 for any one occurrence;
- iii. if Vendor’s vehicles are used on Buyer’s premises and/or used to accomplish work on behalf of Buyer, Automobile Liability Insurance in which the limit of liability for property damage and bodily injuries, including accidental death, shall be a combined single limit of \$2,000,000 for any one occurrence;
- iv. if Vendor has Buyer's materials or equipment in its care, custody or control, Vendor shall have and maintain All-Risk Property Insurance in an amount sufficient to meet or exceed the value of such material;
- v. if Vendor is performing professional services on behalf of Buyer, Vendor shall maintain Professional Liability Insurance with a limit of no less than \$3,000,000;
- vi. if Vendor is rendering computer, coding, or information technology services and/or technology products on behalf of Buyer, Technology Errors and Omissions Liability Insurance with a limit of not less than \$3,000,000 per claim, which insurance shall include, at a minimum, coverage for liabilities arising from errors, omissions, or negligent acts in rendering or failing to render such services and products, computer or information technology services and technology products; and
- vii. if Vendor is providing any software, code or algorithms (other than standardized off -the-shelf, non-customized software), has access to Buyer systems, or will hold, process or store any Buyer Information on Vendor’s systems, Privacy and Network Security (Cyber) insurance, in an amount not less than \$3,000,000 per claim, which insurance shall include, at a minimum, protection for privacy breach, system breach, denial or loss of service, introduction, implantation, or spread of malicious software code, and unauthorized access to or use of computer systems.

Vendor shall provide Buyer with copies of the current and relevant insurance policies or certificate of insurance showing Buyer as an additional insured, with the inclusion of a waiver of subrogation, and accompanied by a summary of the coverages, deductibles and exclusions.

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