

DRADER MANUFACTURING INDUSTRIES LTD.
TERMS AND CONDITIONS

1. **TERMS OF AGREEMENT:** The term “**Company**” as used herein shall mean **DRADER MANUFACTURING INDUSTRIES LTD.**, an Alberta corporation, its parent company, subsidiaries, affiliates and related entities, as applicable. The term “**Buyer**” as used herein shall mean the party or parties purchasing Products and/or Services from the Company as the case may be. Any sale, shipment or delivery by Company of Products and any provision of Services by Company to the Buyer, shall be subject to and governed exclusively by the terms and conditions set forth herein. The term “**Products**” means injection molded products (such as bread trays, milk crates, pig flooring, agricultural flooring, storage containers (for postal and carry out of groceries) and other reusable plastic containers), thermoforming products, extrusion products and all other materials, supplies, and equipment furnished by the Company to the Buyer. The term “**Services**” means any part design and mold support for injection molded, thermoforming and extrusion parts and any other services, repair, maintenance, inspections, certifications, and any other services performed for the Buyer by the Company.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, THE ACCEPTANCE OF ANY OFFER FOR PRODUCTS OR SERVICES MADE BY THE COMPANY TO THE BUYER, OR THE REQUEST FOR PRODUCTS OR SERVICES MADE BY THE BUYER TO THE COMPANY, OR THE ISSUANCE OF A PURCHASE ORDER RESPECTING PRODUCTS OR SERVICES TO BE PROVIDED BY THE COMPANY, OR THE ACCEPTANCE OF ANY PRODUCTS OR SERVICES BY THE BUYER, WHETHER PURSUANT TO A PURCHASE ORDER OR NOT, SHALL IN EACH CASE BE SUBJECT TO AND EXPRESSLY LIMITED TO THE TERMS AND CONDITIONS CONTAINED HEREIN, WITHOUT A REQUIREMENT FOR AN EXPRESS ACKNOWLEDGEMENT OR ACQUIESCENCE ON THE PART OF THE BUYER. Any additional or differing terms and conditions contained on any documents prepared or submitted by Buyer, including but not limited to those contained in Buyer’s drawings and specifications (whether or not such terms materially alter these terms and conditions), are hereby rejected by Company and shall not become part of the agreement between Buyer and Company respecting the Products or Services.

2. **PRICE POLICY:** Prices of the Products and Services provided in written quotations provided by the Company are valid for either 30 days from the date of the quotation or the time period provided in the quotation provided by the Company, whichever expires first. For greater certainty and the avoidance of doubt, if the Company does not acknowledge acceptance of a purchase order from the Buyer within the timelines provided herein, the Company shall not be required to offer the Products and Services to the Buyer for the prices provided in the quotation. Notwithstanding anything to the contrary herein, the Company reserves the right to terminate any accepted purchase order from the Buyer if, in the sole and unfettered discretion of the Company, market factors make previously accepted prices unacceptable to the Company (eg. foreign exchange fluctuations, increase in the cost of materials and labour or the imposition of tariffs which result in an increase in the Company’s cost of providing the Products and/or Services).

3. **TERMS OF PAYMENT:** Unless otherwise stated, payment for all Products and Services shall be made in Canadian Dollars. Terms of payment, if any (including but not limited to payment dates), are to be provided by the Company and are subject at all times to prior approval by the Company’s credit department. If approved by the Company’s credit department, and unless otherwise expressly specified in writing, terms of payment are net thirty (30) days from date of invoice. If at any time the financial condition of the Buyer or other circumstances affecting the credit decision, as determined in the Company’s sole discretion, does not justify continuance of production of Products or provision of Services requested by Buyer or shipment of Products requested by Buyer on the terms of payment specified, the Company may require full or partial payment in advance for such Products, or may at its sole discretion stop or delay production or shipment of such Products or stop or delay the provision of the Services. In the event of default in payment, Buyer agrees to pay all costs of collection incurred by Company including but not limited to collection agency fees and/or solicitor-client costs. All past due amounts shall bear interest, from the date payment is due, at the lesser of 18% per annum (1.5% per month) and the highest rate allowed by law. The Company hereby reserves and the Buyer hereby grants, to the Company, a registrable security interest in the Products purchased until such time as payment is made in full for the said Products purchased.

4. **SHIPPING TERMS FOR PRODUCTS:** All shipping dates of Products stated in any agreement or purchase order are approximate and not a guarantee of a particular date of shipment. Unless otherwise agreed by Company in writing, all Products shall be delivered EXW (Ex Works) at Company’s facility located at either: (a) 5750 50 St. NW, Edmonton, AB T6B 2Z8; or (b) 1327 Clark Blvd, Brampton, ON L6T 5R5, as determined by the Company, in accordance with Incoterms® 2020. The responsibility of the Company for all shipments ceases upon delivery of Products in good order to such designated delivery point, at which time Products shall be at the risk of the Buyer.

In the event that Company has agreed to ship Product to a Buyer: (a) the terms of such

shipping of products (including but not limited to responsibility for delivery costs, transfer of title, insurance costs, etc.) shall be agreed to between Company and Buyer in writing; and (b) Company may ship the Products in one or more lots, and such lots may be separately invoiced and shall be paid for at times determined by the Company in writing prior to shipment, without regard to subsequent deliveries. Shipment dates are estimates only and indicate the date the Product is scheduled to ship from Company’s factory, warehouse or shipping point, as the case may be. In no event shall the shipment of Products be subject to a delivery timeline or deadline and any “time is of the essence” clause or similar language and claims for back charges are specifically rejected. Delay in the delivery of Products hereunder shall not relieve Buyer of its obligation to accept and pay in full for Products under any agreement, request or purchase order. If delivery as originally scheduled is delayed by any action of the Buyer, Company may invoice Buyer for the Products and store the Products at Buyer’s expense.

5. **CLAIMS RELATED TO DELIVERY:** The provisions in this Section 5 of the Terms and Conditions apply only when the Company has arranged shipping of the Products, unless otherwise agreed to by the Company in writing. In the event shipping of Products has been arranged by the Buyer, there shall be no liability whatsoever on the part of the Company related in any way to damaged Products, shortages upon arrival at the Buyer’s delivery point, or any other matter.

Claims for any shipping damage must be reported to Company in writing within two (2) business days following delivery and must be accompanied by photographs and a carrier proof of delivery that has been signed and indicates the damage at the time of delivery; damaged Products and packaging materials must be held at the delivery site by the Buyer or their agent. Claims for overt/patent shipping shortages must be reported to Company in writing within two (2) business days following delivery and must be accompanied by a carrier proof of delivery that has been signed and indicates the shortage at the time of delivery. Claims for other shortages and errors in shipment must be reported to Company in writing within two (2) business days. Buyer will be liable for any re-consignment charges due to Buyer’s error. In the event of a wrongful refusal or a shipment due to a Buyer’s error, the Buyer will be liable to the Company for, at the option of the Company, either (i) a 25% restocking fee and freight charges, or (ii) the entire invoice cost for the Products.

6. **CLAIMS RELATED TO DEFECTS AND NONCONFORMANCE:** Buyer warrants that any documents, drawings, designs, or specifications furnished to Company by Buyer or any party acting on behalf of, or under direction from, Buyer (collectively “**Specifications**”) are complete, accurate and may be relied on by Company. Company shall have no liability for errors, omissions, or inconsistencies in any Specifications. In the event the agreement contains submittal requirements pertaining to the Products or Services, Company agrees to submit in a timely fashion to Buyer for review and approval any shop drawings, samples, product data, manufacturers’ literature or similar submittals as Buyer may reasonably request. Buyer shall be responsible for review and approval of submittals with reasonable promptness to avoid causing delay.

Buyer shall have ten (10) days from the date Buyer receives any Products to inspect such Products for any defects and nonconformance (which are not due to damage, shortage or errors in shipping under Section 5) and notify Company, in writing, of any defects, nonconformance or rejection of such Products. If Buyer does not notify Company within such ten (10) day period, Buyer shall be deemed to have irrevocably accepted the Products as-is. After such acceptance, Buyer shall have no right to reject the Products for any reason or to revoke acceptance. If, in the sole discretion of the Company, Products rejected by a Buyer are found to be defective in workmanship or material, or non-conforming with stated specifications, the sole remedy shall be the replacement of the Products.

7. **CLAIMS RELATED TO SERVICES:** All dates stated in any agreement or purchase order with respect to Services are approximate and not a guarantee of a particular date of performance of a Service. In no event shall the provision of the Services be subject to any timeline or deadline and any “time is of the essence” clause or similar language and claims for back charges are specifically rejected. Delay in the delivery of Services hereunder shall not relieve Buyer of its obligation to accept and pay in full for Services under any agreement, request or purchase order.

8. **TAXES, CUSTOMS, TARIFFS, DUTIES & BROKERAGE FEES:** The amount of any present or future taxes, tariffs, customs, duties and brokerage fees applicable to the Products or Services shall be added to the price contained herein and paid by Buyer in the same manner and with the same effect as if originally added thereto. Company shall have the right to invoice separately for any such taxes, tariffs, customs, duties and/or brokerage fees that may be imposed at a later time.

9. **CANCELLATIONS AND CHANGE ORDERS:** Buyer may not cancel or terminate any order without the Company’s prior written consent and then only upon terms that will compensate Company for any and all costs, lost profit, overhead and similar costs and expenses of every kind associated therewith. Company shall have

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the absolute right to cancel any order of Product or suspend performance of Services upon: (i) breach by the Buyer of any terms and conditions contained herein, (ii) breach by the Buyer of any terms or conditions contained elsewhere in any agreement between the parties, (iii) failure by Buyer to make payment when required, or (iv) the insolvency or bankruptcy, or reasonably suspected insolvency or bankruptcy, of Buyer. Any cancellation or suspension as provided herein shall be without prejudice to any rights or remedies the Company may have at law. Change orders are only effective when agreed to in writing signed by both parties and may result in additional costs to Buyer.

10. RETURNED GOODS: Products may not be returned except with prior written authorization from the Company, which authorization may be arbitrarily withheld in the sole discretion of the Company. Any molds or other property of the Buyer in possession of the Company shall not be returned to the Buyer until all invoices rendered by the Company to the Buyer have been paid in full.

11. DELAYS: If Company suffers delay in performance of Services or delivery of Products due to any cause beyond its control, including but not limited to acts of God, war, act or failure to act of government, terrorism, pandemic, act or omission of Buyer, fire, flood, strike or labor trouble, sabotage, substantial increase in energy costs or the cost of materials, or delay in obtaining from others suitable services, materials, components, equipment or transportation, Company shall not be liable for any costs, expenses, losses or damages associated with such delay and the time of performance or delivery as the case may be shall be extended a period of time equal to the period of the delay and its consequences.

12. LIMITED WARRANTY: The Company shall, at its option, exercisable in its sole and unfettered discretion: (a) repair, replace or provide replacement parts in the event a Product that is wholly manufactured by the Company and used in the United States or Canada is found to be defective in material or workmanship (as determined by the Company in its sole and unfettered discretion) and the Buyer has provided the Company written notice of such defective material or workmanship within ninety (90) days from shipment of such Product to the Buyer; and (b) refund amounts paid to the Company for Services or re-perform Services in the event such Services are found to be defective in material or workmanship (as determined by the Company in its sole and unfettered discretion) and the Buyer has provided the Company written notice of such defective material or workmanship with respect to such Services within ninety (90) days from delivery of the allegedly defective material or workmanship to the Buyer.

Products manufactured by the Company and used or transported outside of the United States or Canada are not warranted in any manner whatsoever. Products not manufactured by the Company but also sold under this agreement (“**Third Party Products**”) are not warranted in any manner by Company, but are sold only with the express warranty, if any, of the manufacturer and only to the extent such warranty is transferable.

FOR GREATER CERTAINTY AND THE AVOIDANCE OF DOUBT, THE COMPANY MAKES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY THIRD PARTY PRODUCT, INCLUDING ANY (a) WARRANTY OF MERCHANTABILITY; (b) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE; (c) WARRANTY OF TITLE; OR (d) WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

The warranty on Products manufactured by the Company provided for herein, shall in no event apply to any Products or parts thereof which: (1) have been opened, disassembled, repaired, or altered by anyone other than the Company or its authorized service representative, (2) have been subjected to improper or extreme operating conditions beyond the intended use, (3) have been subjected to misuse, misapplication, negligence, accidents, damage, abuse, improper storage, or abnormal use or service, (4) have been used in a manner contrary to Company’s printed instructions, or (5) have been subject to any adverse conditions other than normal wear and tear.

The warranty on Products manufactured by the Company provided for herein, although only available in the sole discretion of the Company, shall in no event apply to: (1) costs or expenses in connection with the removal and reinstallation of Products or parts, including but not limited to labor, service costs, and shipping charges, (2) any user or purchaser of the Product that has not purchased the Product directly from the Company, (3) Products that have not been paid for in full by the Buyer.

THE WARRANTIES PROVIDED FOR HEREIN, CONSTITUTE THE BUYER’S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO THE PURCHASE AND SALE OF PRODUCTS AND SERVICES. IT IS GIVEN IN

LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. COMPANY HEREBY EXPRESSLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE THAT MAY BE AVAILABLE TO THE BUYER PURSUANT TO THE SALE OF GOODS ACT (ALBERTA) OR OTHERWISE. EXCEPT FOR THE WARRANTIES EXPRESSLY SET OUT HEREIN, GOODS AND SERVICES ARE PROVIDED BY COMPANY “AS IS”.

No person (including any agent, salesman, dealer or distributor) has the authority to expand the Company’s warranty beyond the terms of this express warranty, or to state that the performance of the Products is other than as published by the Company.

To initiate a warranty claim as provided herein, please contact mfg@drader.com. Failure by the Buyer to provide all details of warranty claims within ninety (90) days of request by the Company may result in delayed or denied warranty claims.

13. LIMITATION ON LIABILITY; INDEMNITY: Company’s obligation with respect to the Products and Services sold hereunder shall be limited to the warranty provided in Section 12 herein, if any, and shall not exceed the lesser of: (a) the cost of repairing or replacing defective Products or Services, and (b) the original purchase price of the Products or Services.

IN NO EVENT AND UNDER NO CIRCUMSTANCES SHALL COMPANY BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, CONTINGENT OR CONSEQUENTIAL DAMAGES, PERSONAL INJURIES OF ANY VARIETY OR PROPERTY DAMAGE, BUSINESS INTERRUPTION, LOST PROFITS, LOST REVENUES OR PUNITIVE DAMAGES, WHETHER CLAIMED PURSUANT TO A BREACH OF THESE TERMS AND CONDITIONS OR ANY OTHER WARRANTY, OR CLAIMED PURSUANT TO NEGLIGENCE OR STRICT LIABILITY IN TORT, EVEN IF COMPANY SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF ANY SUCH LOSS OR DAMAGE, ALL SUCH DAMAGES AND CLAIMS BEING SPECIFICALLY DISCLAIMED.

Buyer agrees to indemnify, defend and hold harmless Company from and against any and all damages, liabilities, actions, causes of action, suits, claims, demands, losses, costs and expenses (including without limitation solicitor client costs and disbursements), whether or not involving third-party claims, for: (1) injury to or death of persons or damage to property to the extent caused by the negligence or willful misconduct of Buyer, a third party, or Buyer’s employees, officers, directors, agents, representatives or contractors or any other party for whose acts or omissions any of them may be liable, or (2) the failure, breach or default by Buyer of any of the representations, warranties, covenants or other agreements of Buyer contained in these terms and conditions. The indemnification provided for herein shall survive the expiration or termination of the agreement to which these terms and conditions apply.

IN ADDITION TO EACH OF THE LIMITATIONS SET OUT HEREIN, ALL CLAIMS BY BUYER WITH RESPECT TO THE PURCHASE AND USE OF THE PRODUCTS OR ANY SERVICES, WHETHER BASED ON CONTRACT, BREACH OF WARRANTY, TORT (INCLUDING, BUT NOT LIMITED TO, NEGLIGENCE AND STRICT LIABILITY) OR OTHERWISE MUST BE MADE WITHIN TWELVE (12) MONTHS OF THE ACCRUAL OF THE CAUSE OF ACTION; PROVIDED, ANY CLAIM FOR SERVICES OR PRODUCTS ALLEGED TO BE DEFECTIVE IN WORKMANSHIP OR MATERIAL MUST BE MADE IN ACCORDANCE WITH THE WARRANTY PERIOD PROVIDED IN SECTION 12.

14. INFRINGEMENT: Company shall, at its own expense, defend any suits that may be instituted by anyone against Buyer for alleged infringement of any valid Canadian patent, US Patent, industrial design, trademark or copyright in existence on the date of any purchase order or agreement relating to any Products sold to the Buyer that are manufactured by Company, provided Buyer (i) shall have made all payments then due hereunder, (ii) shall give Company immediate notice in writing of any such suit and transmit to Company immediately upon receipt all processes and papers served upon Buyer, (iii) shall permit Company, either in the name of Buyer or the name of Company, to defend and at Company’s election, settle same and give Company all needed information, assistance and authority to enable it to do so; and (iv) takes all reasonable steps to mitigate any potential damages that may result. If such Products in and of themselves, unaltered and used as directed by the Company, are found to have infringed any such patent, industrial design, trademark or copyright, Company shall pay any final award of damages in such suit to the extent directly attributable to such infringement. Notwithstanding the foregoing, Company shall have no liability and shall not be responsible for (a) any settlement made without its written consent, or (b) for infringements of combination or process patents covering the use of the Products in combination with other Products not manufactured by Company, or (c) any change, or enhancement in the Products made by Buyer or any third party, or (d) Buyer’s use of the Products except in accordance with Company’s printed instructions.

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15. **SOPHISTICATED BUYER:** Buyer hereby acknowledges that it is aware of and understands the risks involved with the use of the Products, including but not limited to risks of personal injury and death related to certain Products. Buyer agrees to provide adequate warnings to its employees, agents, contractors and downstream customers of the risks associated with the use of the Products. Buyer agrees to maintain the Products and use the Products in strict accordance with their intended uses and in compliance with the written instructions pertaining thereto, including obtaining inspections of the Products as is reasonably necessary, and the Buyer acknowledges that they shall bear all risks of loss associated with or suffered in connection with any failure to do so.

16. **MARKINGS:** Buyer shall not, without the prior written consent of Company, remove or alter any patent numbers, trademarks, notices, serial numbers, labels, tags or other identifying symbols or legends affixed to any Products or their containers or packaging, nor add Buyer's name, logo, marks, labels, tags, or similar materials to any Products or their containers or packaging.

17. **DISPUTES AND CHOICE OF LAW:** These terms and conditions of sale shall be governed by and construed according to the laws of the Province of Alberta and the laws of Canada applicable therein. To the extent it may otherwise be applicable, the United Nations Convention on Contracts for the International Sale of Goods shall not apply to transactions governed by these terms and conditions. The Company and the Buyer consent and voluntarily attorn to the exclusive jurisdiction of the Courts of the Province of Alberta for any and all proceedings arising out of or relating to these terms and conditions and agree that all claims raised in such proceeding may be heard and determined in such court.

18. **CHANGES IN LAWS AND REGULATIONS:** Company's prices and performance are based on all applicable laws, rules, regulations, orders, codes, standards or requirements of governmental authorities effective on the date of Company's quotation. Any change to any law, rule, regulation, order, code, standard or requirement which requires any change hereunder shall entitle Company to an equitable adjustment in the prices and any time of performance.

19. **EXPORT CONTROLS AND ANTI-CORRUPTION:** Products purchased by Buyer may be subject to export controls and customs, regulations and laws of Canada, the United States or other countries. Buyer agrees that it shall not export or enter into an agreement for the export of any Products purchased from Company to any country prohibited or embargoed by the governments of Canada or the United States, or to any denied, blocked or restricted person or entity including those so designated by governmental authorities of Canada or the United States.

Buyer represents and warrants, in connection with the transactions contemplated herein, and any other agreement contemplated by or entered into as provided herein, that it shall take no action, directly or indirectly, that would constitute a violation of the United States Foreign Corrupt Practices Act, Canadian Corruption of Foreign Public Officials Act or any other applicable anti-bribery or anti-corruption law, convention or regulation (collectively, "**anti-corruption laws**"). Company acknowledges and confirms that it and its officers, directors, employees, agents, contractors, designees and/or any other party acting on its behalf (collectively, "**Related Parties**") are familiar with the provisions of the anti-corruption laws. Buyer hereby agrees to indemnify, defend and hold harmless Company and its officers, directors and employees from and against any and all claims, demands, damages, costs, penalties and fines arising in connection with any alleged breach by Buyer or any of its related parties of this paragraph. Company reserves the right to cancel any order of Product or suspend performance of Services, without liability to Buyer, if Seller has a good faith basis for believing Buyer or any of its Related Parties has violated or intends to violate any country's anti-corruption laws.

20. **INTELLECTUAL PROPERTY:** Company retains title and all associated rights to its intellectual property associated with Products and Services, including but not limited to trademarks, trade names, copyrights, patents, designs, processes and trade secrets. Such intellectual property may not be copied, removed, disguised or changed in any form by Buyer. This intellectual property includes, at a minimum, product packaging and associated markings, advertising or marketing materials, and manuals. Buyer agrees not to reverse engineer the Products.

21. **CONFIDENTIAL INFORMATION:** Buyer acknowledges and agrees that all Confidential Information (as hereinafter defined) is confidential and proprietary to the Company. Buyer agrees not to use any of such Confidential Information for any purpose other than as permitted hereunder. Buyer further agrees not to disclose or provide any of such Confidential Information to any third party and to take all necessary measures to prevent any such disclosure by its employees, agents, contractors or consultants. "**Confidential Information**" shall mean all information, other than information in published form or expressly designated by Company as

non-confidential, which is directly or indirectly disclosed to Buyer or embodied in Products or Services provided hereunder, regardless of the form in which it is disclosed, relating in any way to Company's markets, customers, products, patents, inventions, procedures, methods, designs, specifications, strategies, plans, assets, liabilities, costs, revenues, profits, organization, employees, agents, distributors or business in general.

22. **ASSIGNMENT:** Buyer may not assign the purchase order or agreement to which these terms and conditions apply without the express written consent of the Company.

23. **SOFTWARE:** Buyer's use of any software, including without limitation mobile applications, provided by Company shall be subject to the Company's terms and conditions applicable to ecommerce and any other applicable policies published by Company from time to time.

24. **ENTIRETY OF AGREEMENT:** This document, together with any other documents furnished by Company to Buyer, shall set forth the entire agreement between the parties. Should any portion herein be deemed to be illegal or unenforceable the same shall not affect other terms or provisions of this agreement, which shall be deemed modified to the extent necessary to render it enforceable. No waiver by either party of any rights under this agreement shall be effective unless it is in writing signed by the party against whom it is being enforced. Company is not an agent or partner of or joint venturer with Buyer.