

EXTENDED HARDWARE SERVICE PLAN

Thank you (“**Customer**”) for choosing QC INTEGRATED SOLUTIONS INC. (“**QC**”) to assist with your business needs. This EXTENDED HARDWARE SERVICE PLAN (“**Plan**”) applies to QC’s provision of extended maintenance services to your QC products by way of an addendum to any terms and conditions other than this Plan that may apply to any Purchase Order or Invoice in which this Plan is referenced (the “**Other Terms**”).

The defined terms below have the following meanings herein:

“**Administrator**” means QC Integrated Solutions Inc. appointed service personnel, reachable by phone at 1-888-280-8901, by email at info@qcintegrated.com or by post at 805a Bayridge Dr, Kingston, Ontario, Canada K7P 1T5.

“**Annual Plan Fees**” has the meaning in section 4.

“**Approved Claim**” has the meaning in section 6.

“**Breakdown**” means the mechanical and/or electrical failure of the Covered Essential Components that results in it no longer being able to perform its intended function and be calibrated which is caused by defects in materials or workmanship and not normal wear and tear.

“**Commencement Date**” has the meaning in section 3.

“**Contract Year**” means each year after the Commencement Date during the Term.

“**Contract Documents**” means this Plan and any Purchase Order or Invoice respecting this Plan.

“**Coverage**” has the meaning in section 5.

“**Covered Essential Components**” mean the bus, power unit, master unit and all included channel units of Covered Products.

“**Covered Product(s)**” has the meaning in section 1.

“**Initial Term**” has the meaning in section 3.

“**Invoice**” means QC’s standard form invoice delivered by QC to Customer respecting the Plan.

“**Limited Warranty**” means any express written warranty offered by QC and accepted by Customer that is applicable to any Covered Products, which shall expressly exclude any warranty implied by common law, equity, or otherwise.

“**Purchase Order**” means the purchase order or other document respecting the agreement between QC and Customer for the delivery of the Plan.

“**Proprietary Information**” means all intellectual property rights in the products and services of QC;

“**Renewal Term**” has the meaning in section 3.

“**Repair**” means a repair of the Covered Essential Components.

“**Replace**” or “**Replacement**” means an item supplied to the Customer through this Plan.

“**Service Qualification**” has the meaning in section 2.

“**Service Qualification Fees**” has the meaning in section 2.

“**Term**” means the Initial Term and each Renewal Term.

“**Website**” means <https://www.qcintegrated.com/> or any other website made available by QC from time to time.

1. Ordering. Application for enrollment in this Plan shall be confirmed by way of Purchase Order or paid Invoice. In order to be eligible for this Plan all SEAM systems owned by Customer (the “**Covered Products**”) must be enrolled in this Plan.

2. Service Qualification. Prior to enrollment in this Plan, Customer shall (at Customer’s expense and risk), ship all Covered Products to QC so that QC can test functionality, update channel tops and calibrate channels (collectively the “**Service Qualification**”). Customer shall be Invoiced for any upgrades necessary to conduct the Service Qualification, including any costs to replace any existing SEAM AC calibration units or other products, as well as for service charges at QC’s current hourly service rates for any necessary repairs (“**Service Qualification Fees**”). Service

Qualification will include a calibration and software update. QC will notify Customer upon completion of the Service Qualification and will ship Covered Products back to Customer (at Customer’s expense) in accordance with the shipping provisions at section 14 herein. Administrator will notify Customer if any units were not operational or unable to be upgraded, repaired or calibrated for Service Qualification and Customer may elect to have such items Replaced in order to be enrolled in this Plan.

3. Term. Unless cancelled earlier in accordance with this Plan: (i) the initial term of this Plan commences on the date that QC ships the Covered Products to Customer after Service Qualification (the “**Commencement Date**”) and ends one year after the Commencement Date (the “**Initial Term**”); and (ii) this Plan will automatically renew for additional one year periods (each a “**Renewal Term**”) on the same terms and conditions set out herein.

4. Annual Plan Fees. The fees for the services contemplated by this Plan are the annual fees shown in the Purchase Order or Invoice (the “**Annual Plan Fees**”). The Annual Plan Fees are: (i) payable as pre-payments for the upcoming Contract Year; (ii) due within 15 days of Invoice; and (iii) non-refundable unless otherwise explicitly provided for herein. QC may update the Annual Plan Fees for any upcoming Renewal Term so long as written notice of such increase is provided to Customer at least 30 days in advance of such Renewal Term.

5. Plan Coverage. During the Term, this Plan provides the following “**Coverage**” included in the Annual Plan Fees:

- (a) **REPAIR OR REPLACEMENT:** This Plan provides for a no-charge Repair or Replacement of Covered Essential Components if any such component has a Breakdown. This Plan includes a limit of two Repairs or Replacements of any Covered Essential Components during each Contract Year.
- (b) **BUS UPGRADES:** As units are modular and the components can be used on any size bus, subject to product availability, QC will provide free exchanges of any purchased bus for another size bus once per Contract Year. By way of example and illustration, if Customer currently owns a 12 channel bus unit and Customer requires greater capacity, Customer can exchange its 12 channel bus for a 16 channel bus (being the maximum size) free of charge.
- (c) **CALIBRATION:** This Plan includes calibration of the Covered Essential Components which can be conducted through remote internet access to the Administrator’s server as often as Customer wishes to calibrate.

6. Making a Claim. All claims for Coverage made by the Customer under this Plan shall be made to the Administrator in writing. The Administrator will review all such claims and determine if they fall within the scope of the Coverage in Administrator’s sole discretion. If approved in writing by Administrator (each an “**Approved Claim**”), Customer will provide all reasonable co-operation with Administrator (including by shipping the affected unit to QC, if necessary, at Customer’s expense and risk) so that QC can provide the Coverage. Any failure of the Customer to co-operate with

Administrator shall relieve QC of its obligation to provide Coverage. Covered Product shipping back to Customer will be at Customer's expense in accordance with the shipping provisions at section 14 herein.

7. Plan Cancellation by Customer. Customer may cancel this Plan at any time by informing the Administrator of the cancellation request in writing and this Plan will be cancelled effective at the end of the then-current Contract Year. Failure to pay an Invoice for Annual Plan Fees when due for a Renewal Term will automatically cancel this Plan unless QC agrees otherwise in writing. If cancelled, Customer may re-enrol in this Plan by executing or providing payment pursuant to a new Purchase Order in connection with the same, and by re-shipping Covered Products to QC for Service Qualification and paying all Service Qualification Fees in accordance with sections 1 and 2.

8. Plan Cancellation by QC. QC reserves the right to cancel this Plan: (i) at any time for convenience on sixty (60) days notice to Customer, provided that notwithstanding section 3, any pre-paid Annual Plan Fees will be pro-rated to the date of termination and the balance will be refunded to the Customer; and (ii) at any time on notice to Customer if Customer breaches any term of this Plan, including the failure to pay an Annual Plan Fees in accordance with the provisions hereof (including section 15).

9. Effect of Cancellation. Upon cancellation of this Plan, all Coverage will immediately cease, provided that any Approved Claims that were approved prior to cancellation will be processed notwithstanding cancellation provided the cancellation was not for breach by Customer of any term of this Plan.

10. Discounts and Credits. QC may apply discounts to fees payable under this Plan in its sole discretion and any discounts granted will be shown on the applicable Invoice. With respect to Service Qualification Fees: (i) QC may apply a partial credit towards the purchase of a SEAM ACP calibration unit for each SEAM AC exchanged; (ii) test module tops will be upgraded if required to interface with SEAM ACP Calibrator at no added cost; and (iii) if any of the Covered Products are within the Limited Warranty, Service Qualification Fees (other than shipping costs) shall be waived in connection with such Covered Products. With respect to Annual Plan Fees: (i) upon enrollment in this Plan, QC may credit Customer for any existing product calibration service fees that Customer has pre-paid for; and (ii) to the extent any Covered Products are purchased new and are still subject to the Limited Warranty, discounted Annual Plan Fees may be provided during the period of the Limited Warranty.

11. Coverage Notices and Disclaimers: The following notices and disclaimers apply to the Coverage: (i) Determination of Service Qualification and Coverage will be at QC's sole discretion. QC reserves the right to Replace defective Covered Essential Components with new, rebuilt or refurbished items of equal or similar features and functionality, which may not be the same model or colour as the defective Covered Essential Components. Technological advances may result in a Replacement that has a lower retail or market price than the defective Covered Essential Components, and in such situation, this Contract shall not provide Customer with any reimbursement for such a price difference; (ii) Replacements provided will be automatically considered to be "Covered Essential Components", and Coverage for such Replacement will continue for the remainder of the Term; (iii) Ownership of all Covered Product parts, components or entire units

Replaced under the provisions of this Contract shall become QC's property in their entirety; and (iv) It is the Customer's responsibility to backup any/all software and/or data on a regular basis, especially prior to commencement of any Services covered under this Plan.

12. General Coverage Exclusions. Coverage under this Plan is limited to that which is specifically described in this document. Anything not specifically expressed herein is not covered and the following are explicitly excluded from Coverage: (i) Non-Breakdown problems; including but not limited to imperfections or cosmetic damage; (ii) any service whatsoever directly for or related to damage attributable to the use of any item/component that is not otherwise indicated as Covered Essential Components including, all accessory cords/cables, batteries, accessories/attachments, add-ons, stands, mounting kits, covers, keyboards or keypads or dials, computer mouse, connectors, fuses, encasing body or molding; (iii) normal wear and tear; (iv) improper packaging and/or transportation resulting in damage to the product while it is in transit; (v) damage resulting from modifications, adjustments, alterations, manipulation or repairs made by anyone other than a service technician authorized by us; (vi) damage resulting from electricity or power fluctuations; (vii) damage from freezing or overheating; (viii) the intentional or negligent treatment of the Covered Product in a harmful, injurious, malicious, reckless or offensive manner which results in its damage and/or failure; (ix) viruses, vandalism, loss, theft, or malicious mischief or disappearance; (x) removed or altered serial numbers; (xi) damage resulting from rust, corrosion, warping, bending to the Covered Product; (xii) animals or insect infestation; (xiii) damage to the product as a result of failure to follow the manufacturer's recommended maintenance, operation/storage of the Covered Product and manufacturer's specifications or instructions; (xiv) nuclear radiation, adverse environmental conditions, perils of nature, explosion or collision of or with another object, fire, water damage, humidity, lightning, dirt, sand or smoke; (xv) any servicing that would violate any Canadian or U.S. economic or trade sanctions; (xvi) restoration of software or data, or data retrieval to/from the Covered Product or transfer of any data to any Replacement; or (xvii) any Covered Product user training.

13. Limitation of Liability. Without diminishing the limitation of liability described in the Terms and Conditions, QC will not be liable for any indirect damages including any: (i) Property damage, lost time, lost data or lost income resulting from the services contemplated herein; (ii) delays in rendering covered services or the inability to render service for any reason; (iii) the unavailability of any parts/components; (iv) any costs incurred by Customer associated with customized installations to fit the Covered Product such as third party stands, mounts and, customized alcoves and the like; or (v) property damage or injury or death to any persons arising out of the operation, maintenance or use of the Covered Product or a Repair or Replacement provided under the provisions of this Plan. QC'S LIABILITY TO CUSTOMER IN CONNECTION WITH THIS PLAN SHALL NOT IN ANY EVENT EXCEED THE TOTAL ANNUAL PLAN FEES PAID BY CUSTOMER TO QC FOR THE LAST COMPLETED CONTRACT YEAR.

14. Shipment and Delivery. QC will use commercially reasonable efforts to notify Customer once Covered Products are ready for shipment pursuant to the terms hereof. Unless otherwise agreed to in writing on a Purchase Order or Invoice, all such Covered Products are to be shipped EXW (805A BAYRIDGE DR, KINGSTON, ONTARIO K7P 1T5, CANADA) *Incoterms*® 2010. QC shall inform Customer of weight and dimensions of such Covered Product which can be picked up by Customer's delivery agent from

QC's premises. All responsibility and liability in connection with such Covered Products is the Customer's as soon as such Covered Products have been picked up by Customer or Customer's shipping agent.

15. Payment Terms. Customer is required to pay QC the Annual Plan Fees without set-off or deduction. Payment may be made by wire, major credit card or other immediately available funds accepted by QC and may be collected through third party intermediaries on the Website. All overdue payments of Annual Plan Fees bear interest, starting on the day the payment is due, at a rate of 1.5% per month. Any failure by Customer to make payment of Annual Plan Fees when due, which is uncured for a period of 5 business days from such due date shall be an event of breach or default hereunder entitling QC to change its credit or payment requirements, suspend or cancel performance of the Plan. If an event of breach or default by Customer is not cured within 15 days, Customer shall be responsible to pay QC's reasonable expenses, including but not limited to reasonable legal fees, to collect such overdue amounts.

16. Indemnification. Customer hereby agrees to defend, indemnify and hold harmless QC, its affiliates, its contractors, and its and their respective shareholders, directors, officers and employees against all claims, demands, suits, liabilities, injuries (personal or bodily), property damage, causes of action, losses, costs, expenses, damages or penalties, including court costs and reasonable legal fees ("**Claims**") to the extent caused or incurred as a result of (a) Customer's uncured failure to perform any material covenants under this Plan; (b) any violation of any applicable laws to be complied with by Customer in its use, operation, storage or transportation of the of the Covered Products; (c) any claim by a third party for bodily injury or property or environmental damage caused by the Customer or its employees or contractors in connection with the use, operation, storage or transportation of the Covered Products; (d) any infringement or prohibited disclosure of any Proprietary Information by the Customer; and (e) any failure of the Customer to follow the user manual or guide accompanying the Covered Products.

17. Entire Agreement. The Contract Documents and any applicable Other Terms constitute the Entire Agreement of QC and Customer and there are no understandings, agreements, or representations, express or implied, other than what is contained in the forgoing documents with respect to the subject matter herein. By executing or approving any Purchaser Order or accepting any Invoice (which, for certainty, shall occur on written acceptance of such Purchase Order or Invoice by Customer or payment of any amounts due by Customer pursuant to such Invoice), or performing or accepting performance of any action, step, or thing in pursuit of or conformity with this Plan, Customer unconditionally and irrevocably acknowledges receipt and acceptance of this Plan. Notwithstanding this paragraph, if any Other Terms are applicable, if there is any inconsistency with the provisions of the Other Terms and the Plan in respect of the services contemplated by this Plan, the provisions of the Plan shall apply and prevail (unless such Other Terms are QC's TERMS AND CONDITIONS, in which QC's TERMS AND CONDITIONS shall apply and prevail).

18. Corporate Customer Representations and Warranties. If the Customer is a corporation, it represents and warrants that it (a) is a corporation validly incorporated and existing under the laws of

the jurisdiction of its incorporation; and (b) has the corporate power and authority to enter into these Terms and Conditions.

19. Force Majeure. QC's obligations under this Plan shall be suspended by any circumstances beyond the reasonable control QC, including labour strikes, war, embargoes, terrorism, civil unrest, flood, fire, earthquake, extreme and severe weather events, and acts of God. The parties agree that no event of force majeure shall suspend the payment of any amounts due under a Purchase Order or Invoice. To the extent QC is prevented or delayed from performing by reason of force majeure: (a) suspension of performance shall be of no greater scope and of no longer duration than is reasonably attributable to such force majeure and required by any remedial measures; (b) no obligations that arose before the occurrence of such causes shall be excused as the result of the occurrence without the prior written consent of the parties; and (c) QC shall use commercially reasonable efforts to remedy its inability to perform. If performance by QC of its obligations is affected by any force majeure it shall as soon as practicable notify the Customer of the nature and extent thereof.

20. Notice. Any notice to be given hereunder to QC shall be sent to the contact address provided by QC on the Website from time to time. Any notice to be given hereunder to Customer shall be sent to Customer's last known address. Mail notice shall be delivered by prepaid registered mail or personal delivery and shall be deemed to have been received, in the case of prepaid registered mail, five (5) business days after mailing, and electronic receipt will be deemed to be completed on the business day of transmittal thereof provided no incompleteness or absence notice is received by sender.

21. Dispute Resolution. In the event of disputes arising out of or in connection with this Plan (a "**Disputed Matter**") the Customer will work together with the QC for 15 business days to attempt to resolve the Disputed Matter, following which if the Disputed Matter is unresolved either may provide notice in writing to the other requiring that the Disputed Matter be resolved by binding arbitration by a single arbitrator in Kingston, Ontario Canada. Such arbitration shall be governed by the arbitration rules and procedures of the *Arbitration Act*, 1991, S.O. 1991, c. 17 of the province of Ontario, or any successor legislation. In the event an arbitrator cannot be mutually agreed upon, either the Customer or QC may apply to the court for the appointment of an arbitrator. The decision of the arbitrator shall be final and binding on all parties. Any award by the arbitrator may be filed in court and enforced as a judgment of the court. Responsibility for the costs of the arbitration shall be borne equally by the Customer and QC (and each party shall be responsible for its own counsel and other third-party expenses). Notwithstanding the foregoing, any Disputed Matter giving rise to the need or desire by the QC to preserve or protect its Proprietary Information or to prohibit or seek an injunction against any restricted behaviour herein or other common law or equitable remedy to preserve or protect its Proprietary Information may be brought by the QC in the courts in the Province of Ontario or the Federal courts of Canada having jurisdiction over such matters and are not limited to or required to be addressed through arbitration.

22. Updates. QC may from time to time unilaterally update this Plan without notice to Customer by posting a new version of this Plan on the Website. Notwithstanding the forgoing, this Plan available to the Customer at the time of ordering this Plan by way of Purchase Order or Invoice is binding.

23. General. This Plan: (i) shall be construed and performed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein; and (ii) will enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Customer and QC. This Plan may be assigned in whole or part by QC without notice. No waiver of a breach or default under this Plan will be effective or binding unless made in writing and signed and, unless otherwise provided in the written waiver, will be limited to the specific breach or default waived. Failure to enforce any provision of this Plan will not constitute a waiver of such provision. If any provision herein is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect. Customer shall not assign its rights or obligations hereunder without QC's prior written consent.