

## STANDARD TERMS AND CONDITIONS OF SUPPLY – LAND MOBILE RADIO (LMR)

### DICTIONARY

In the Standard Terms and Conditions of Supply, the words below have the following meanings:

**\$** means CAD, unless specifically otherwise specified;

**Agreement** means the contract between Codan and The Purchaser as described in clauses 1.4 and 1.6;

**Anything of Value** includes cash or cash equivalents, gifts, services, employment offers, loans, travel expenses, entertainment, political contributions, charitable donations, subsidies, per diem payments, sponsorships, honoraria or provision of any other asset, even if nominal in value;

**Business Day** means any day except a Saturday, Sunday or public holiday in British Columbia;

**CAA** means the Canadian Arbitration Association of 180 Duncan Mill Road, 4<sup>th</sup> Floor, Toronto, Ontario, M3B 1Z6;

**CAD** means Canadian dollars;

**Calendar Day** means a calendar day with periods expressed in Calendar Days subject to extension if necessary to allow for public holidays in British Columbia and/or the location where the Product (if imported) is sourced as the case may be;

**Catalogue** means any and all catalogues of Codan products published and distributed by Codan in hard copy and electronically (including by making available for viewing through its official website) to its actual and prospective customers, setting out product details and current prices, as updated and replaced by Codan from time to time in its discretion;

**Codan or Company** means Daniels Electronics Ltd., dba Codan Radio Communications of 43 Erie St, Victoria, BC V8V 1P8;

**Confidential Information** means all information disclosed by Codan or The Purchaser and includes:

- (a) the fact that the parties will have, or are having, discussions, and the substance of those discussions;
- (b) financial information and other trade secrets and confidential know-how;
- (c) information regarding each party's business; and
- (d) all information generated by the parties which is based on the information referred to in these paragraphs (a) to (c) inclusive,

but excludes information that:

- (e) the parties create or develop (whether alone or jointly with any person) independently of the Confidential Information;
- (f) is public knowledge (otherwise than as a result of a breach of confidentiality by either party or any person to whom it has disclosed the information);
- (g) is rightfully known to, or in the possession or control of either party or any of its personnel and not subject to an obligation of confidentiality in accordance with the terms of this Agreement; or
- (h) becomes available to either party from a source other than the parties and which source has the right to use and disclose and is not bound by any obligation of confidentiality in respect of the same;

**Credit Limit** means the CAD value of any credit facility extended by Codan to The Purchaser;

**Duties** means any stamp, transaction or registration duty or similar charge imposed by any Government Agency and includes, but is not limited to, any interest, fine, penalty, charge or other amount imposed but excludes any income tax;

**EUR** or € means the euro (the official currency of the Eurozone);

**Existing Arrangements** means any arrangements and agreements between Codan and The Purchaser in effect as at the date an Order is submitted, as agreed by Codan in writing;

**Facilitating Payment** means a payment to an individual to secure or expedite the performance of a routine government action by Government Officials;

**Force Majeure Event** means anything outside a party's reasonable control including, without limitation, shortages of materials, fire, storm, flood, earthquake, explosion, accident, enemy acts, war, rebellion, insurrection, sabotage, epidemic, quarantine restriction, labour dispute, labour shortage, transportation embargo or failure or delay in transportation;

**Government Agency** means any government or governmental, semi governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency or entity;

**Government Official** means:

- (a) any officer or employee of a government or any department, agency or instrument of a government (including but not limited to any Government Agency);
- (b) any person acting in an official capacity for or on behalf of a government or any department, agency, or instrument of a government (including but not limited to any Government Agency);
- (c) any officer or employee of a company or business owned in whole or part by a government;
- (d) any officer or employee of a public international organisation such as the World Health Organisation or United Nations;
- (e) any officer or employee of a political party or any person acting in an official capacity on behalf of a political party; and/or
- (f) any candidate for political office;

**GST** has the meaning it does in section 122 Part IX – Goods and Services Tax of the GST Act;

**GST Act** means *Excise Tax Agreement (R.S.C., 1985, c. E-15)*, as amended, varied or replaced from time to time;

**Insolvency Event**, in relation to The Purchaser, means any of the following events:

- (a) The Purchaser is unable to pay its creditors (or any class of them) in the ordinary course of business;
- (b) a receiver, receiver and manager, administrator, liquidator or similar officer is appointed to The Purchaser or any of its assets;
- (c) The Purchaser enters into, or resolves to enter into, a scheme of arrangement, compromise or composition with any class of creditors;
- (d) a resolution is passed or an application to a court is taken for the winding up, dissolution, official management or administration of The Purchaser; or
- (e) anything having a substantially similar effect to any of the events specified above happens under the law of any applicable jurisdiction;

**Intellectual Property Rights** means any and all intellectual and industrial property rights anywhere in the world, including but not limited to the rights comprised in any patent, copyright, design, trade mark, eligible layout or similar right whether at common law or conferred by statute, rights to apply for registration under a statute in respect of those or like rights and rights to protect trade secrets and know how, throughout the world for the full period of the rights and all renewals and extensions;

**North American Product Warranty** means the warranty set out in the document attached as Annexure A, which is incorporated into and forms part of these Standard Terms and Conditions;

**Order** means an order for Products created as the result of The Purchaser's issue of a formal purchase order to Codan in hard copy or electronically (in a form agreed by Codan). Issuance of an Order (whether or not a Quotation is first issued by Codan) is deemed to constitute acceptance of these Standard Terms and Conditions by The Purchaser. In the event that a Quotation is issued by Codan, issuance of an Order is also deemed to constitute acceptance of the Quotation by The Purchaser;

**Order Acknowledgement** means Codan's written confirmation that an Order has been received from The Purchaser, and the Agreement brought into existence;

**Order Value** means the total price charged by Codan to The Purchaser for any Order, and including any amounts payable by The Purchaser and charged by Codan in accordance with clause 3.1;

**Payment** refers to and includes any direct or indirect offer to pay, promise to pay, authorisation of payment of, or transfer of, Anything of Value;

**Perfected** has the meaning given to that term in the PPSA;

**PPSA** means the *Personal Properties Securities Act [RSBC 1996] Chapter 359* and any regulations made under it;

**Products** means the products to be manufactured and/or imported by Codan for The Purchaser as listed in the Order;

**Quotation or Quote** means the quote, if any, issued by Codan to The Purchaser in respect of the Products to which these Standard Terms and Conditions of Supply are attached;



**Registry** means the register established under the PPSA;

**Security Agreement** has the meaning given to that term in the PPSA;

**Security Interest** has the meaning given to that term in the PPSA;

**Supply** has the same meaning it does in section 122 Part IX – Goods and Services Tax of the Excise Tax Act (R.S.C., 1985, c. E-15) and excludes any “GST-free supplies” and “input tax credits” as those terms are defined in the Excise Tax Act (R.S.C., 1985, c. E-15);

**Tax** or **Taxes** means any tax, levy, charge, impost, fee, deduction, compulsory loan or withholding (including corporate tax, personal income tax, fringe benefits tax, payroll tax, withholding tax, excise and import duties, GST, consumption tax, value added tax or any other taxes, levies or charges), which is assessed, levied, imposed or collected by any Government Agency, and includes any interest, fine, penalty, charge, fee or any other amount imposed on or in respect of any such amounts;

**The Purchaser** means the entity requesting that Products be supplied and sold to it by Codan by the issuance of an Order, as listed in the Quotation (if applicable); and

**USD** means US dollars.

## STANDARD TERMS AND CONDITIONS OF SUPPLY

### 1. Catalogue/Credit Offers, Quotations and Agreement

1.1 The Purchaser acknowledges and agrees:

- (a) that the Catalogue and/or approval of a Credit Limit by Codan following a request for a credit facility received from The Purchaser in the form specified by Codan constitutes an offer by Codan to sell the Products to The Purchaser on the terms and conditions set out in these Standard Terms and Conditions of Supply, at the standard Prices for the Products set by Codan which are current on the date The Purchaser submits an Order to Codan, as notified by Codan to The Purchaser (subject always to clause 2.1 below) (**Catalogue/Credit Offer**); and
- (b) that the Catalogue/Credit Offer may be accepted by The Purchaser at any time by submitting an Order with Codan.

1.2 By submitting an Order in response to a Catalogue/Credit Offer, The Purchaser warrants and represents to Codan that:

- (a) it has been provided with a copy of Codan's current Product Price list and that it has reviewed this list prior to submitting the Order; and
- (b) it has read and understood these Standard Terms and Conditions of Supply prior to submitting the Order, and agrees to be bound by them in full.

1.3 In addition to the Catalogue/Credit Offer, Codan may, in its discretion and following a request by The Purchaser, make an offer to The Purchaser for the sale of Products by issuing a Quotation. Unless otherwise specified in the Quotation issued by Codan to The Purchaser (if any) or agreed to in writing by Codan, all Quotations issued by Codan are valid for 30 days from the date of issue (**Acceptance Period**). The Purchaser must accept a Quotation by submitting an Order with Codan during the Acceptance Period. Any Quotation not accepted by The Purchaser during the Acceptance Period will lapse.

1.4 A contract between Codan and The Purchaser for the supply by Codan, and the purchase by The Purchaser, of the Products will come into existence:

- (a) in cases where a Quotation is issued by Codan, on the date The Purchaser accepts the Quotation by submitting a valid Order with Codan within the Acceptance Period; and
- (b) in all other cases, on the date that The Purchaser submits a valid Order with Codan, in response to the Catalogue/Credit Offer.

1.5 Codan will determine in its sole discretion whether an Order Form has been validly completed and submitted by The Purchaser.

1.6 The contract will comprise:

- (a) these Standard Terms and Conditions of Supply;
- (b) the Quotation issued by Codan, if any;
- (c) the Product details listed in the Order; and
- (d) the invoice issued by Codan to The Purchaser,

to the exclusion of any other terms and conditions (including but not limited to any variations to either these Standard Terms and Conditions or the terms of the Quotation or the Catalogue/Credit Offer (as applicable) purported to be made by The Purchaser in the Order) and apart from any terms, conditions or guarantees implied or provided for by applicable law which cannot lawfully be excluded. Codan may (but is not obliged to) issue an Order Acknowledgement to The Purchaser, confirming the terms of the contract.

1.7 In the event of an inconsistency between any of the documents listed in clause 1.6 above, the terms of these Standard Terms and Conditions will prevail to the extent of the inconsistency, with the terms of the Quotation (if any) prevailing thereafter. To the extent of any inconsistency between the document in clause 1.6(c) and 1.6(d) above, the document described in clause 1.6(d) will prevail.

1.8 Neither this Agreement nor any Order that has been submitted can be cancelled by The Purchaser except with the prior written consent of Codan. Codan can cancel and terminate any Order or this Agreement in its sole discretion, without penalty, if it considers that an Order Form has not been validly completed and/or submitted by The Purchaser.

### 2. Prices

2.1 Prices specified by Codan for the Products in a Quotation or any current Product Price list issued by Codan, as applicable, are based upon the prevailing currency exchange rates generated by the Codan system. Subject to Codan deciding in its sole discretion that it would be fair and reasonable in the circumstances to do so, Codan may pass on any variation in currency exchange rates to The Purchaser in any invoice issued in accordance with clause 3.2.

2.2 If a Quotation has been issued by Codan, The Purchaser acknowledges that it has been prepared by Codan on the basis of, and in reliance upon, the information provided by The Purchaser, and further acknowledges that the provision of incomplete or misleading information by The Purchaser, unforeseen circumstances, misinterpretations, variations and similar events may result in charges additional to those set out in the Quotation being payable by The Purchaser for the Products. The Purchaser agrees to pay any such additional amounts to Codan, in full.

2.3 Unless otherwise expressly specified by Codan, all prices stated are exclusive of Product delivery costs and freight charges.

### 3. Payment

3.1 The Purchaser is solely responsible for payment of all freight, insurance, delivery costs, Taxes and other charges levied or payable in respect of the Products, unless otherwise agreed by the parties in writing.

3.2 Codan will invoice The Purchaser for the Order Value of the Order at any time following receipt of such Order.

3.3 Unless otherwise stated in the Quotation the due date for payment by The Purchaser to Codan for the Order (**Due Date**) is as follows:

- (a) 30 days from the date on which the invoice was issued, if the following conditions are satisfied at the time that the Order was submitted to Codan (i) The Purchaser has a pre-approved credit facility with Codan and (ii) the Order Value, combined with any outstanding payments due to Codan by The Purchaser at the time of the Order, fall within The Purchaser's approved Credit Limit; and
- (b) in all other cases, payment is immediately due at the time that The Purchaser places the Order with Codan.

3.4 If The Purchaser fails to make any payment by the Due Date, then, without prejudice to any other right or remedy available to Codan, Codan may, in its sole discretion elect to:

- (a) suspend any further deliveries to The Purchaser arising from the Order;
- (b) cancel the Order for Products not yet supplied to The Purchaser in whole or in part by Codan;
- (c) enter the property of The Purchaser in order to repossess the Products;
- (d) appoint a receiver or receiver and manager to do anything the law allows a receiver or receiver and manager to do;
- (e) charge The Purchaser interest (both before and after any judgement) on the unpaid amount at the rate of 10% per annum until payment is made in full; and/or
- (f) withdraw any Credit Limits or credit facilities previously approved and extended to The Purchaser.

### 4. Delivery

4.1 Unless otherwise stated in any Order Acknowledgement issued by Codan to The Purchaser, Codan will deliver the Products to The Purchaser in the manner (i) specified in the Order or (ii) if a Quotation has been issued, in the manner specified in the Quotation, regardless of what is stated in the Order submitted by The Purchaser.

4.2 Codan will use its reasonable endeavours to deliver the Products described in the Order on the delivery date requested by The Purchaser.

4.3 Risk of damage to or destruction or loss of the Products will pass to The Purchaser at the time of delivery to The Purchaser or its nominated carrier, as appropriate.

- 4.4 Notwithstanding delivery and the passing of risk in the Products, the parties acknowledge and agree that the title to, and property and ownership of, the Products supplied under this Agreement will not pass to The Purchaser until Codan has received, in cleared funds, payment in full for the Products and any other sums which are or may become due to Codan under this Agreement or any other agreement or arrangement between the parties.
- 4.5 Until such time as full title, property and ownership of the Products passes to The Purchaser in accordance with clause 4.4, and while the Products remain in The Purchaser's full control and possession:
- The Purchaser must hold the Products as Codan's fiduciary agent and bailee;
  - The Purchaser must keep the Products properly stored, protected and insured;
  - Codan may at any time after payment is overdue require The Purchaser to deliver up the Products to Codan and, if The Purchaser fails to deliver up the Products immediately, Codan may enter the premises of The Purchaser or any third party where the Products are stored and repossess them; and
  - The Purchaser must not pledge or in any way charge by way of security for any indebtedness, any of the Products which remain the property of Codan. If The Purchaser does pledge or in any way charge by way of security for any indebtedness any of the Products for which property and ownership has not passed to The Purchaser, all moneys owing by The Purchaser to Codan will (without prejudice to any other right or remedy of Codan) immediately become due and payable to Codan.
- 5. PPSA**
- 5.1 The Purchaser acknowledges that until such time as full title, property and ownership of the Products passes to The Purchaser under clause 4.4, this Agreement constitutes a Security Agreement for the purposes of the PPSA, and Codan has a Security Interest in the Products.
- 5.2 Without limiting clause 17.6, The Purchaser agrees to do such things as Codan may require from time to time to ensure that any Security Interest of Codan arising from or connected with this Agreement is Perfected under the PPSA for whatever period Codan determines in its sole discretion, including signing documents and providing Codan with all further information required to enable Codan to register its Security Interests on the Registry, and to otherwise protect Codan's position under the PPSA. The Purchaser must keep Codan fully informed of all relevant information regarding it and its activities, including by providing not less than 14 days notice in writing of any proposed change in its name or contact details, and immediately advising Codan of material changes in its business activities.
- 5.3 The Purchaser agrees to indemnify Codan for all expenses incurred by Codan in registering its Security Interests on the Registry, and will reimburse Codan for all such expenses immediately upon demand.
- 5.4 The Purchaser waives its rights under section 43 of the PPSA to receive a notice in relation to the registration events to which section 43(15) of the PPSA applies, including without limitation, the right to receive a copy of a verification statement confirming registration of a financing statement or financing change statement relating to the Security Interest created by this Agreement.
- 5.5 The Purchaser agrees that nothing in sections 32(1), 36, 37, 58(3)(4)(5), 59, 60 or 62 of the PPSA will apply to this Agreement or any Security Interest in the Products created by this Agreement, and waives its rights to receive any of the following documents:
- a notice of removal of an accession under section 38(12) of the PPSA;
  - a notice of an intention to seize collateral under section 58(2)(e) of the PPSA;
  - a notice of a disposal of collateral under section 59 of the PPSA;
  - any information under section 18 of the PPSA;
  - any notice from Codan under each of the provisions listed in section 72 of the PPSA.
- 6. The Purchaser's Obligations**
- 6.1 Codan and The Purchaser agree that The Purchaser:
- is solely responsible for consideration and validation of Product designs and Product functionality, to confirm suitability for particular applications, as desired by The Purchaser;
  - must advise Codan of all statutory, regulatory and other official standards and/or requirements which the Product must comply with, at the time of submitting the Order to Codan and immediately upon becoming aware of these at any other time; and
- must provide Codan with any other information which Codan may request in respect of the intended application/use of the Products.
- 7. Warranty**
- 7.1 Codan agrees to provide the North American Product Warranty in respect of the Products.
- 7.2 The North American Product Warranty will not apply in the event of termination of this Agreement by Codan pursuant to clauses 12.4, 13.3 or 15.3.
- 8. Exclusion and Limitations of Liability**
- 8.1 The Purchaser acknowledges and agrees that notwithstanding clause 4.2, any delivery dates quoted by Codan for delivery of the Products are approximate only, and will not be binding upon Codan.
- 8.2 Codan does not exclude or limit the application of any provision of any applicable statute, legislation or other regulation where to do so would contravene that statute, legislation or regulation or cause any part of this clause to be void and nothing in this Agreement is to be interpreted as doing so.
- 8.3 Subject always to clause 8.2, to the extent permitted by law Codan excludes from this Agreement:
- all conditions, warranties, guarantees and terms implied by statute, general law, international convention or custom, except any implied term, condition, guarantee or warranty the exclusion of which would contravene any statute or cause this clause to be void (**Non-excludable Condition**);
  - all liability to The Purchaser for consequential or indirect damages arising out of or in connection with this Agreement even if Codan knew they were possible, or they were otherwise reasonably foreseeable, and including without limitation, loss of profits and damage suffered as a result of claims by any third person, such as a customer of The Purchaser; and
  - all liability to The Purchaser in negligence for acts or omissions of Codan, its employees, agents and contractors arising out of or in connection with this Agreement.
- 8.4 To the extent permitted by law, Codan will not be responsible for any consequences of any modification to the Products (whether or not authorised) or for any loss, damage or claim arising from such actions. The Purchaser agrees to indemnify, defend and hold harmless Codan against any and all claims, demands, suits, causes of action, damages and legal fees (on a solicitor-own client basis) or expenses or costs whatsoever arising, directly or indirectly, from any modification of the Products, and unconditionally frees, releases and discharges Codan and its officers, agents, contractors and employees from any claim or cause of action arising in connection with such matters, to the fullest extent permitted by applicable law.
- 8.5 To the extent permitted by law, Codan will not be liable or otherwise responsible for any loss, accident, damage or injury arising in connection with The Products, or any failure of the Products to operate in the manner required by The Purchaser, whether or not caused by a defect or fault in the Products or due to Codan's negligence. The Purchaser unconditionally frees, releases and discharges Codan and its officers, agents, contractors and employees from any claim or cause of action arising in connection with the use of the Products by The Purchaser, to the fullest extent permitted by applicable law.
- 8.6 To the extent permitted by law, Codan's liability to The Purchaser for breach of any Non-excludable Condition which is applicable is limited to any one of, at Codan's option, repairing or replacing the Products in respect of which the breach occurred, supplying equivalent products, payment of the cost of replacing the Products or acquiring equivalent products, or payment of the cost of having the Products repaired.
- 8.7 Notwithstanding anything to the contrary in this Agreement, and to the extent permitted by law, Codan's maximum liability to The Purchaser for any cause of action or claim in connection with the Products or this Agreement shall be limited to a total aggregate amount equal to the Order Value of the Order in connection with which the cause of action or claim arose.
- 9. Intellectual Property**
- 9.1 The Purchaser expressly acknowledges and agrees that Codan is the sole proprietor and owner of all existing and future Intellectual Property Rights associated with the Products (including all modifications and improvements), and that this Agreement does not grant or transfer to it any rights to the Intellectual Property Rights associated with the Products.
- 9.2 The Purchaser must not copy, reverse engineer, improve, enhance, develop, refine, modify or otherwise alter any aspect of the Products or

- any Intellectual Property Rights associated with the Products, or permit or assist a third party to undertake any of these actions.
- 9.3 Notwithstanding anything to the contrary in this Agreement, The Purchaser acknowledges and agrees that Codan will own all rights in any improvements, enhancements developments, modifications or refinements to the Products or associated Intellectual Property Rights developed or created by The Purchaser, and The Purchaser will have no claim to such materials. The Purchaser agrees that it will execute, procure and deliver to Codan all assignments required to give effect to this clause 9.3, and hereby waives any and all rights to any such improvements, developments, enhancements modifications or refinements.
- 10. Confidentiality**
- 10.1 Each party:
- (a) may use Confidential Information of the other party solely for the purposes of this Agreement;
  - (b) must keep confidential all Confidential Information of the other party; and
  - (c) may disclose Confidential Information of the other party only to (i) employees and contractors who (A) are aware and agree that the Confidential Information of the other party must be kept confidential and (B) either have a need to know (and only to the extent that each has a need to know), or have been specifically approved by the other party, or (ii) as required by law or stock exchange regulation.
- 10.2 Each party must notify the other party immediately once it becomes aware of any breach of confidentiality and must take all reasonable steps necessary to prevent further unauthorised use or disclosure of the Confidential Information.
- 11. Taxes and Government Charges**
- 11.1 The amounts payable by The Purchaser to Codan for, or in connection with this Agreement do not include any amounts on account of Taxes and Duties. The Purchaser shall be solely liable for and shall pay, when due and payable, all Taxes and Duties which may be imposed in relation to the Products, or which is assessed or chargeable in respect of this Agreement and any associated documents or transactions.
- 11.2 The Purchaser agrees to indemnify Codan in respect of any liability for Taxes and Duties, and shall pay any Taxes and Duties notified to it by Codan immediately upon request. The Purchaser must provide Codan with all necessary tax invoices, receipts and other documentation as required by Codan in accordance with applicable laws, legislation and regulations.
- 11.3 In the case of GST payable in Canada, if applicable, The Purchaser must pay to Codan an additional amount on account of GST equal to the amounts payable by The Purchaser for the Supply multiplied by the prevailing GST rate. Notwithstanding anything to the contrary in this clause, The Purchaser is not required to pay any additional GST amount until such time as The Purchaser has been provided with a tax invoice by Codan, which is in an approved form for GST purposes.
- 11.4 The additional amounts due to Codan on account of Taxes and Duties are payable at the same time and in the same manner as the price and any other amounts payable by The Purchaser are required to be paid to Codan under this Agreement.
- 12. Government Approvals**
- 12.1 Codan agrees, at its cost, to use its reasonable endeavours to obtain all necessary export licences, clearances and other consents and approvals from Government Agencies which are necessary for the sale and supply/export of the Products to The Purchaser. The Purchaser agrees to complete and provide to Codan any documentation required by Codan to obtain any required approvals and consents.
- 12.2 The parties agree that Codan's obligations under this Agreement are conditional upon Codan being issued all necessary export licences, clearances and other consents and approvals by the relevant Government Agencies. In the event that Codan is unable to secure all necessary licences, clearances, permits, approvals and other necessary consents from appropriate Government Agencies, Codan shall be entitled to immediately terminate this Agreement by written notice, and Codan shall not be required to supply the Products to The Purchaser. In no circumstances shall Codan be liable to The Purchaser or any other person for any loss or damage (including without limitation indirect or consequential loss or loss of profits) arising in connection with Codan's failure to obtain any necessary documentation from Government Agencies required for the sale and supply/export of the Products to The Purchaser, or the termination of this Agreement pursuant to this clause 12.2, and The Purchaser unconditionally frees, releases and discharges Codan and its officers, agents, contractors and employees from any claim or cause of action arising in connection with Codan's failure to obtain any export licence, clearances and other necessary consents and approvals from appropriate Government Agencies.
- 12.3 The Purchaser is solely responsible, at its sole cost and expense, for ensuring that the Products meet the requirements of any country into which they are imported, and must obtain and maintain any necessary import licences and permits, and all other clearances and consents from Government Agencies required for the acquisition and use of the Products by The Purchaser (including but not limited to customs approvals and clearances). Codan shall supply The Purchaser with any documents reasonably requested by The Purchaser for the purposes of complying with its obligations under this clause 12.3.
- 12.4 Codan may at any time require that The Purchaser supply it with copies of licences, permits, clearances and approvals issued by Government Agencies and obtained by The Purchaser as required by clause 12.3, and The Purchaser agrees to immediately comply with any such request. If at any time Codan becomes aware that The Purchaser has failed to comply with its obligations under clause 12.3, it may immediately terminate this Agreement by written notice, and all outstanding amounts shall become immediately due and payable by The Purchaser. The Purchaser agrees to indemnify, defend and hold harmless Codan against any and all claims, demands, suits, causes of action, damages and legal fees (on a solicitor-own client basis) or expenses or costs whatsoever arising, directly or indirectly, from any failure by The Purchaser to comply with its obligations under clauses 12.3 or 12.4.
- 13. Anti-Bribery and Corruption Requirements**
- 13.1 It is a material term of this Agreement that The Purchaser must comply with the following:
- (a) The Purchaser must comply fully at all times with all applicable laws and regulations, including but not limited to applicable anti-corruption laws of the territory in which The Purchaser conducts business with Codan.
  - (b) The Purchaser must not, and covenants that it will not, in connection with the performance of this Agreement, directly or indirectly promise, authorise, ratify, offer to make or make, or take any action, in furtherance of any Payment of Anything of Value to any individual, or to an intermediary for payment to any individual, including a Government Official, for the purpose of influencing or inducing or as a reward for any act, omission or decision to secure an improper advantage or to improperly assist The Purchaser or Codan in obtaining or retaining business.
  - (c) The Purchaser must not, and covenants that it will not, in connection with the performance of this Agreement, directly or indirectly promise, authorise, ratify or offer to make or make any Facilitating Payment to any individual, or to an intermediary for payment to any individual, including a Government Official.
  - (d) The Purchaser must not contact, or otherwise meet with any Government Official with respect to any transactions required under this Agreement, without the prior written approval of Codan and, when requested by Codan, only in the presence of a Codan designated representative.
  - (e) The Purchaser represents that it has not been convicted of or pleaded guilty to a criminal offence, involving fraud or corruption; that it is not now, to the best of its knowledge, the subject of any government investigation for such offences, and that it is not now listed by any government agency as debarred, suspended, proposed for suspension or debarment, or otherwise ineligible for government procurement programs.
  - (f) The Purchaser represents and warrants that except as disclosed in writing:
    - (i) it does not have any interest which directly or indirectly conflicts with its proper and ethical performance of this Agreement; and
    - (ii) it will maintain arms length relations with all third parties (including Government Officials) with which it deals for or on behalf of Codan or in the performance of this Agreement.
- 13.2 The Purchaser agrees that Codan may make full disclosure of information relating to a possible violation of the terms of this clause 13 at any time and for any reason to any competent government bodies and its agencies (including Government Agencies), and to whomsoever Codan determines in good faith has a legitimate need to know.
- 13.3 Codan will be entitled to terminate this Agreement (without payment of compensation to The Purchaser) immediately on written notice to The Purchaser, if The Purchaser fails to perform its obligations in accordance with the terms of this clause 13. Codan will not be responsible or liable for

any loss or damages whatsoever arising from or in connection with this clause 13, whether sustained by The Purchaser or any other party.

#### 14. Insurance

14.1 The Purchaser must take out and maintain at all times, with reputable insurers, valid and enforceable insurance policies in respect of the following:

- (a) product and public liability insurance, for an amount not less than \$10 million per incident or event;
- (b) all necessary statutory workers compensation insurance; and
- (c) such other risks that a reasonable, prudent person carrying on the business of The Purchaser would be likely to insure against.

#### 15. Termination

15.1 Codan may terminate this Agreement with immediate effect by written notice to The Purchaser if:

- (a) The Purchaser is the subject of an Insolvency Event; or
- (b) at the time of termination, a Force Majeure Event has persisted for greater than 40 Business Days.

15.2 The Purchaser may terminate this Agreement with immediate effect by written notice to Codan if Codan breaches any material term of this Agreement, which is capable of remedy, and fails to remedy the breach within 20 Business Days after receiving a notice requiring it to do so.

15.3 Without limiting Codan's other rights under this Agreement, Codan may terminate this Agreement with immediate effect by written notice to The Purchaser if:

- (a) The Purchaser breaches any term of this Agreement, which is capable of remedy, and fails to remedy the breach within 20 Business Days after receiving a notice requiring it to do so;
- (b) The Purchaser breaches any term of this Agreement and such breach is not capable of remedy; or
- (c) The Purchaser repeatedly breaches any term of this Agreement and, within 20 Business Days after receiving a notice requiring it to do so, fails to satisfy Codan that a breach of that term will not recur.

15.4 Termination of this Agreement will not affect any accrued rights or remedies a party may have as at the date of termination, unless explicitly stated otherwise in this Agreement.

#### 16. Dispute Resolution

16.1 A party will not commence arbitration or court proceedings (except proceedings seeking interlocutory relief) in respect of a dispute arising out of this Agreement (**Dispute**) unless it has complied with this clause.

16.2 A party claiming that a Dispute has arisen will notify the other party of the Dispute in writing.

16.3 Each party to the Dispute will ensure that during the 30 Calendar Day period after a notice is given under clause 16.2 (or a longer period agreed between the parties) the chief executive officers (or equivalents) of the parties will use their best reasonable endeavours to resolve the dispute in good faith.

16.4 If after fourteen (14) days the parties are unable to resolve the Dispute under clause 16.3, the parties will attempt to settle the dispute by mediation conducted in accordance with the Commercial Mediation Guidelines of the CAA.

16.5 The parties shall attempt to agree on the appointment of a mediator for the purposes of mediation of the Dispute pursuant to clause 16.4, and if the parties cannot agree on the identity of a mediator within seven (7) Calendar Days, the mediator will be appointed by CAA within seven (7) Calendar Days thereafter. Mediation will be held within seven (7) Calendar Days of the appointment of the mediator.

16.6 Each party will bear its own costs of resolving a Dispute under this clause 16, and will bear equally the costs of any mediator required to be engaged.

16.7 If mediation does not proceed within the timetable set out in clauses 16.4 and 16.5, or is not successful in resolving the Dispute, the parties will be entitled to terminate the Dispute resolution process by giving notice in writing to all other parties and commence arbitration or court proceedings in respect of the Dispute. Nothing in this clause 16 prevents a party from seeking urgent interlocutory relief.

16.8 Nothing in this clause 16 prevents or limits The Purchaser from exercising its rights and requiring remedies from Codan in respect of a breach of a Non-Excludable Condition (subject always to clause 8 above).

#### 17. Miscellaneous

17.1 *Interpretation* - In these Standard Terms and Conditions of Supply:

- (a) the singular includes the plural and vice versa;

- (b) the word person includes a firm, a body corporate, an unincorporated association, body or organisation established pursuant to international treaty, intergovernmental body, or government authority and other official authority;

- (c) a reference to a document or legislation includes a reference to that document or legislation as varied, amended, novated or replaced from time to time;

- (d) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including, but not limited to, persons taking by novation) and permitted assigns; and

- (e) headings are inserted for convenience and do not affect the interpretation of these Standard Terms and Conditions of Supply.

17.2 *Survival* - The provisions of clauses 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 16 and 17 of these Standard Terms and Conditions of Supply survive the expiry or termination of this Agreement.

17.3 *Force Majeure* - If a Force Majeure Event precludes Codan from partially or wholly complying with its obligations under this Agreement then:

- (a) as soon as reasonably practicable after that Force Majeure Event arises, Codan must notify The Purchaser of the Force Majeure Event, and Codan's obligation to perform in accordance with this Agreement will be suspended for the duration of the actual delay arising directly out of the Force Majeure Event or 40 Business Days, whichever is shorter, provided that Codan does everything reasonably possible to mitigate the effects of the Force Majeure Event.

- (b) If a Force Majeure Event persists for greater than 40 Business Days, Codan shall be entitled to terminate this Agreement in accordance with clause 15.1(b).

17.4 *Governing Law* - This Agreement will be governed by and construed in accordance with the laws applicable in British Columbia. The parties submit to the exclusive jurisdiction of the courts of British Columbia in respect of matters arising out of or in connection with this Agreement (including Disputes). The parties agree that the *United Nations Convention on Contracts for the International Sale of Goods* (adopted at Vienna, Austria on 10 April 1980) (including as incorporated into British Columbia law by the *International Sale of Goods Act* [RSBC 1996] Chapter 236) will not apply to this Agreement.

17.5 *No Assignment* - The Purchaser must not assign or otherwise deal with its rights and obligations under this Agreement without the prior written approval of Codan, to be provided by Codan in its reasonable discretion.

17.6 *Further Action* - Each party must (a) do all acts necessary or desirable to give full effect to this Agreement, and (b) refrain from doing anything which might prevent full effect being given to this Agreement.

17.7 *Variation* - A variation or modification of this Agreement must be in writing and signed by an authorised representative of each party.

17.8 *Severability* - If any provision of this Agreement is held by any competent authority to be invalid or unenforceable in whole or in part the validity of the other provisions of this Agreement and the remainder of the provision in question will not be affected.

17.9 *No Waiver* - No waiver by a party of any breach of this Agreement by another party shall be considered as a waiver of any subsequent breach of the same or any other provisions.

17.10 *Entire Agreement* - This Agreement constitutes the entire agreement between the parties about its subject matter (without limiting clause 8.2 in any way) and subject to the remainder of this clause, supersedes all previous representations, understandings and agreements in connection with that subject matter. This Agreement overrides any terms for the sale and supply of Products tendered to Codan by The Purchaser, irrespective of whether such terms are tendered before or subsequent to the date of the Order. However, the parties agree that the Existing Arrangements continue in full force and effect, and that nothing in this document supersedes, alters or otherwise affects the Existing Arrangements. In the event of an inconsistency between the obligations of the Parties under this Agreement and any Existing Arrangements, the Existing Arrangements prevail to the extent necessary.

17.11 *Relationship* - The relationship between the parties is and will remain that of independent contractors, and nothing in this document constitutes the parties as partners or joint venturers or constitutes any party as the agent of another party or gives rise to any other form of fiduciary relationship between the parties.

17.12 *Notices* - Notices by a party must be delivered by (i) prepaid post (ii) facsimile or (iii) hand, and sent to the address of the receiving party specified in the Order. Notices shall be deemed to have been received by hand upon delivery, by post within two (2) Business Days of sending and by facsimile upon receipt of a successful transmission report.



**Standard Terms and Conditions of Supply – Annexure A**  
**North American Land Mobile Radio (LMR) Product Warranty provided by Codan**

Codan Limited (“Codan”), and its subsidiaries, warrants that commencing from the date of shipment to the original purchaser or purchasing organization (“Customer”), and continuing for a period of three (3) years for Codan branded LMR products or one (1) year for non-Codan branded products purchased through Codan:

Hardware will be free from defects in material and workmanship under normal use. The date of shipment of a Product by Codan is set forth on the packaging material in which the Product is shipped.

Software substantially conforms to its published specifications. Except for the foregoing, the Software is provided AS IS. In no event does Codan warrant that the Software is error free or that Customer will be able to operate the Software without problems or interruptions.

This limited warranty extends only to the original Customer of the Product as assigned at time of purchase. Customer’s sole and exclusive remedy and the entire liability of Codan and its suppliers under this limited warranty will be, at Codan’s sole discretion, shipment of a replacement within the warranty period according to the replacement process described in Return Material Authorization (RMA) procedures, or a refund of the purchase price if the Hardware is returned to the party supplying it to Customer, freight and insurance prepaid. Codan replacement parts used in Hardware replacement may be new or suitable alternatives. Codan’s obligations hereunder are conditioned upon the return of affected Hardware in accordance with Codan’s or its service center’s then-current RMA procedures.

Exclusions. The above Hardware warranty and limited warranty in the End User License Agreement (“Software warranty”) does not apply if the Software, Hardware Product or any other equipment upon which the Software is authorized by Codan to be used (a) has been altered, except by Codan or its authorized representative, (b) has not been installed, operated, repaired, or maintained in accordance with instructions supplied by Codan, (c) has been subjected to abnormal physical or electrical stress, abnormal environmental conditions, misuse, negligence, or accident, (d) is licensed for beta, evaluation, testing or demonstration purposes; (e) custom work; or (f) is a battery or other consumable.

The Software warranty also does not apply to (a) any temporary Software modules; (b) any Software not posted on Codan’s website (on Codan.com, codanradio.com or codancommunications.com URL(s) where Codan makes the Software publicly available to licensed customers); (c) any Software that Codan expressly provides on an “AS IS” basis on Codan’s website; (d) custom work; or (e) any Software for which Codan does not receive a license fee.

(a) DISCLAIMER OF WARRANTY

EXCEPT AS SPECIFIED IN THIS WARRANTY SECTION, ALL EXPRESS OR IMPLIED CONDITIONS, REPRESENTATIONS, AND WARRANTIES INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTY OR CONDITION OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT, SATISFACTORY QUALITY, NON-INTERFERENCE, ACCURACY OF INFORMATIONAL CONTENT, OR ARISING FROM A COURSE OF DEALING, LAW, USAGE, OR TRADE PRACTICE, ARE HEREBY EXCLUDED TO THE EXTENT ALLOWED BY APPLICABLE LAW AND ARE EXPRESSLY DISCLAIMED BY CODAN, ITS SUPPLIERS AND LICENSORS. TO THE EXTENT AN IMPLIED WARRANTY CANNOT BE EXCLUDED, SUCH WARRANTY IS LIMITED IN DURATION TO THE EXPRESS WARRANTY PERIOD. BECAUSE SOME STATES OR JURISDICTIONS DO NOT ALLOW LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY LASTS, THE ABOVE LIMITATION MAY NOT APPLY. THESE WARRANTIES GIVE CUSTOMER SPECIFIC LEGAL RIGHTS, AND CUSTOMER MAY ALSO HAVE OTHER RIGHTS WHICH VARY FROM JURISDICTION TO JURISDICTION. This disclaimer and exclusion shall apply even if the express warranty set forth above fails of its essential purpose

IN NO EVENT WILL CODAN OR ITS SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT, OR DATA, OR FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL, OR PUNITIVE DAMAGES HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY ARISING OUT OF THE USE OF OR INABILITY TO USE THE SOFTWARE EVEN IF CODAN OR ITS SUPPLIERS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. In no event shall Codan's or its suppliers' liability to Customer, whether in contract, tort (including negligence), or otherwise, exceed the price paid by Customer. The foregoing limitations shall apply even if the above-stated warranty fails of its essential purpose.