

ENSIL INC.

WARRANTY, REPAIR AND SERVICE TERMS AND CONDITIONS - REV. 2026-03

1. APPLICATION AND ENTIRE AGREEMENT. Ensil Inc. ("Seller") and the customer identified in Seller's quotation, repair estimate, order acknowledgement or invoice ("Buyer") agree that all quotations, evaluations, repairs, services, manufacturing, testing and other work are governed exclusively by these Terms and Seller's applicable quotation, repair estimate, order acknowledgement, invoice and written change orders (collectively, "Sale Documents"). These Terms apply to commercial/business transactions only. Any Buyer purchase-order or other terms that are additional to, different from or inconsistent with the Sale Documents are rejected and shall not bind Seller unless specifically accepted in writing by an authorized representative of Seller. Seller's acknowledgement, signature, performance or reference to a Buyer PO number does not constitute acceptance of Buyer's terms. The Sale Documents constitute the entire agreement and may be modified only by a writing signed by Seller.

2. QUOTATIONS; AUTHORIZATION; CANCELLATION. Quotations and estimates expire thirty (30) days after issuance unless otherwise stated. Estimates are based on information and equipment condition reasonably available at the time issued and may be revised following inspection, testing or disassembly. Buyer's authorization to proceed constitutes acceptance of the Sale Documents. Once Seller commences evaluation, procurement, engineering, testing, repair or other work, Buyer may cancel only with Seller's written consent and shall pay all costs incurred or committed, including evaluation, labour, engineering, materials, subcontractors, non-returnable purchases, restocking, storage, handling and reasonable cancellation charges.

3. SCOPE; ADDITIONAL WORK. Seller is responsible only for work expressly identified in the Sale Documents. Seller does not undertake to restore complete equipment to new or OEM condition, inspect components outside the agreed scope, or certify equipment for any particular application unless expressly agreed in writing. Seller may use commercially reasonable repair methods and suitable replacement components, including non-OEM parts where appropriate. Additional defects, corrosion, contamination, missing or obsolete parts, prior repairs, counterfeit components, changes requested by Buyer or other unforeseen conditions may require revised price and schedule. Seller need not perform changed or additional work until approved in writing. Buyer-caused delay, incomplete information or delayed approval entitles Seller to reasonable price and schedule adjustment.

4. PAYMENT; DEFAULT. Unless Seller grants credit in writing, payment may be required before work or shipment. Buyer shall pay invoices when due without setoff, deduction or chargeback except as required by law. Overdue amounts bear interest at the lesser of 1.5% per month or the maximum lawful rate. Upon payment default Seller may suspend work or shipment, withhold equipment, revoke credit, require advance payment or security, charge storage/carrying costs, apply Buyer credits against amounts due and recover reasonable collection and legal costs. Such actions shall not constitute Seller default.

5. SHIPPING; CUSTOMER PROPERTY; STORAGE. Unless otherwise agreed, Buyer bears freight, packaging, insurance, brokerage, customs, duties, taxes, permits and import/export expenses. Buyer retains title to equipment submitted for repair; replaced parts may be retained/disposed of by Seller unless otherwise agreed. Seller is not liable for transportation loss, damage or delay caused by carriers or other parties outside Seller's control. Buyer is responsible for adequate packaging and ESD protection. Seller may charge storage after thirty (30) days following notice that equipment is ready. Unclaimed or unpaid equipment may be subject to Seller's lawful lien, storage, sale or disposition remedies after appropriate notice.

6. ACCEPTANCE. Buyer shall inspect repaired equipment/services promptly. Unless Seller receives written notice describing a material nonconformity within ten (10) calendar days after delivery or availability for collection, the work is finally accepted. Installation, operation, return to service, resale, transfer, incorporation into other equipment or other beneficial use constitutes final acceptance. For a proper timely rejection, Seller shall have a reasonable opportunity to inspect and, at its option, correct or re-perform the affected work, which shall be Buyer's exclusive pre-warranty remedy.

7. LIMITED WARRANTY. Seller warrants solely to the original Buyer that the specific parts, labour and workmanship actually supplied or performed by Seller will be free from defects for **120 days from the earliest of shipment, notification of availability for collection, or invoice date**. Any different or extended warranty is valid only if expressly stated in Seller's quotation/order acknowledgement or another writing signed by Seller. The warranty applies only to the specific repaired or serviced portion and is **non-transferable and non-assignable without Seller's written approval**. Repair of one portion does not constitute a warranty of the entire device, assembly or system.

The warranty does not cover conditions caused in whole or part by improper installation, removal, operation, maintenance, testing, packaging, transport or storage; accident, abuse, misuse, negligence; contamination, corrosion, foreign-object damage or ESD; improper voltage, grounding, power supply, surge or overheating; moisture, weather, radiation or environmental exposure; normal wear, deterioration, age or consumables; third-party opening, alteration, calibration, modification, repair or attempted repair; components or systems not supplied/repaired by Seller; software/firmware unless expressly included; counterfeit, unauthorized or incompatible parts; failure to follow instructions; connected-equipment failure; operation outside intended conditions; or other causes outside Seller's reasonable control. Unauthorized opening, alteration or repair after Seller's work voids warranty for conditions reasonably related thereto.

Seller makes no warranty regarding complete-equipment condition, remaining life, future reliability of unrepaired portions, OEM conformity, airworthiness/regulatory approval, compatibility, suitability for a particular installation/application, uninterrupted operation or prevention of unrelated future failures.

Warranty claims must be made promptly in writing and no later than five (5) business days after warranty expiration, identify Seller's work order/invoice and equipment, describe the failure, obtain Seller return authorization and return equipment adequately packaged. Buyer shall, upon request, provide reasonable operating, installation, maintenance, repair-history, failure, test and diagnostic records. Seller may deny a claim where missing information prevents reasonable determination of coverage. Seller shall have reasonable opportunity to inspect/test the equipment. If no covered defect exists, Buyer shall pay reasonable evaluation, testing, handling, storage and transportation charges.

For a covered defect, SELLER'S SOLE OBLIGATION AND BUYER'S SOLE AND EXCLUSIVE REMEDY shall be, at Seller's option, repair/correction, re-performance, replacement of the defective Seller-supplied part, or, if commercially impracticable, a credit not exceeding the amount actually paid for the specific work giving rise to the claim. Corrective work carries only the remaining original warranty period unless agreed otherwise. Buyer bears removal, installation, access, packaging, freight, insurance, brokerage, customs, duties and taxes unless Seller agrees otherwise.

WARRANTY DISCLAIMER. THE EXPRESS LIMITED WARRANTY ABOVE IS SELLER'S ONLY WARRANTY. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, SELLER DISCLAIMS ALL OTHER WARRANTIES, CONDITIONS AND REPRESENTATIONS, EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, INCLUDING MERCHANTABILITY, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, DURABILITY, PERFORMANCE, SUITABILITY AND NON-INFRINGEMENT. THERE ARE NO WARRANTIES OR CONDITIONS EXTENDING BEYOND THE EXPRESS WARRANTY ABOVE.

8. LIMITATION OF LIABILITY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, SELLER SHALL NOT BE LIABLE FOR LOST PROFITS OR REVENUE, LOSS OF USE, BUSINESS INTERRUPTION, LOST CONTRACTS, DATA OR GOODWILL, AIRCRAFT/EQUIPMENT DOWNTIME, SUBSTITUTE OR RENTAL EQUIPMENT, OR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES, WHETHER ARISING IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY, STATUTE OR OTHERWISE, EVEN IF ADVISED OF THEIR POSSIBILITY. SELLER'S AGGREGATE LIABILITY ARISING FROM ANY DEVICE, TRANSACTION, REPAIR OR SERVICE SHALL NOT EXCEED THE AMOUNT ACTUALLY PAID TO SELLER FOR THE SPECIFIC WORK GIVING RISE TO THE CLAIM. THESE LIMITATIONS AND WARRANTY REMEDIES ARE INDEPENDENT PROVISIONS AND, TO THE MAXIMUM EXTENT PERMITTED BY LAW, APPLY EVEN IF A LIMITED REMEDY IS ALLEGED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE. BUYER ACKNOWLEDGES THAT SELLER'S PRICING REFLECTS THIS AGREED ALLOCATION OF COMMERCIAL RISK.

9. FORCE MAJEURE. Seller is not liable for delay/nonperformance caused by circumstances beyond reasonable control, including fire, flood, severe weather, pandemic, war, terrorism, labour or transportation disruption, supplier/material shortages, utility or cyber incidents, governmental action, sanctions, import/export restrictions or delayed/denied permits. Performance dates shall be reasonably extended and Seller is not required to obtain substitute materials/services at commercially unreasonable cost.

10. EXPORT, SANCTIONS AND COMPLIANCE. Buyer shall comply with all applicable Canadian, U.S. and other export/import, customs, sanctions and trade laws and provide accurate end-user, end-use, destination and ownership information upon request. Buyer shall not export, re-export, transfer, divert or use equipment, technical data, software or services unlawfully or cause Seller to violate law. Seller may suspend, refuse or terminate affected work or shipment without liability where required authorization is unavailable or Seller reasonably believes performance may violate applicable law.

11. INTELLECTUAL PROPERTY; CONFIDENTIALITY. Seller retains all rights in its pre-existing or independently developed repair methods, processes, engineering, tooling, fixtures, test methods, software, know-how, technical data, business records, pricing and proprietary information. No intellectual-property rights transfer except as expressly agreed in writing. Buyer shall not improperly reproduce, disclose or reverse engineer Seller proprietary materials except where such restriction is prohibited by law.

12. BUYER RESPONSIBILITY; INDEMNITY. Buyer is responsible for the accuracy and suitability of Buyer-provided specifications, instructions, designs and data. To the fullest extent permitted by law, Buyer shall defend, indemnify and hold Seller, its officers, employees, affiliates and subcontractors harmless from third-party claims arising from Buyer's misuse, improper installation, unauthorized modification/repair, negligence or wilful misconduct, breach of these Terms, violation of law, or Buyer-provided specifications, except to the extent finally determined to result from Seller's negligence or wilful misconduct.

13. TAXES. Prices exclude applicable sales/use/value-added taxes, duties, tariffs, brokerage, customs and governmental charges unless expressly included. Buyer shall pay such amounts except taxes solely on Seller's net income.

14. TERMINATION. Seller may suspend or terminate work if Buyer materially breaches the Sale Documents, fails to pay, becomes insolvent/bankrupt, ceases normal operations, fails to provide required information/approval, or continued performance may violate law or create material safety/security risk. Seller remains entitled to payment for work performed, commitments made and costs accrued.

15. GENERAL. Buyer may not assign material rights/obligations without Seller's written consent. Seller may use qualified affiliates/subcontractors and assign payment rights. Parties are independent contractors. If any provision is unenforceable, the remainder survives and the affected provision shall be enforced to the maximum lawful extent. Failure to enforce is not waiver; waiver must be written. Payment, warranty limitations, liability limitations, intellectual property, indemnification and provisions intended by their nature to survive remain effective after completion/termination. No third party is a beneficiary unless expressly stated. Electronic acceptance/signatures are permitted where legally valid.

16. GOVERNING LAW. The Sale Documents are governed by the laws of the **Province of Ontario and applicable federal laws of Canada**, excluding conflict-of-law principles and the United Nations Convention on Contracts for the International Sale of Goods. Buyer irrevocably submits to the **exclusive jurisdiction of the courts of Ontario**.