

Appendix-A



SCCI Terms & Conditions

Effective Date: 11/01/2024

Last Updated: 11/19/2024

1. Introduction

These Terms & Conditions ("Terms") govern the purchase of products and services by SCCI ("Buyer") from its suppliers and service providers ("Supplier"). By accepting the purchase order (PO) or providing the products and services, the Supplier agrees to comply with these Terms.

2. Definitions

- **Buyer:** Refers to SCCI.
- **Supplier:** The party providing goods or services to the Buyer.
- **Products:** Materials, components, equipment, or any goods provided by the Supplier.
- **Services:** Any work or labor performed by the Supplier on behalf of the Buyer.

3. Purchase Orders

3.1 Acceptance of The Order:

Any of the following acts by Seller shall constitute acceptance of the Order:

- (i) execution of the acknowledged page of the Order and return to Buyer within three (3) business days of receipt or within the timeframe required by applicable law. Initiation of any aspect of performance or notification to Buyer that Seller is commencing performance under the Order.
- (ii) shipment of any Items or performance of any Services under the Order; or
- (iii) acceptance of any form of payment, partial or complete, under the Order.

An order is issued subject to the express condition that it may be accepted only on the terms and conditions contained herein.

3.2 Changes to Orders

(a) Buyer may, at any time and without notice, direct changes in writing and seek a modification of the Order, subject to the mutual agreement of the Parties, for:

- (i) drawings, designs, or specifications.
- (ii) method of shipment or packing.
- (iii) time and/or place of delivery, inspection, acceptance, or performance.
- (iv) the quantity of Items ordered or Services to be performed.
- (v) the statement of work; (vi) method or manner of performance.
- (vi) any property, facilities, equipment, or materials to be provided by Buyer under the Order; and
- (vii)** the terms and conditions of the Order required to meet Buyer's obligations under the Buyer's customer contract.

(b) During performance of the Order, Seller shall not make any changes in the Services to be performed or in the design or manufacturing of Items to be furnished by Seller under the Order, including any changes to the process, manufacturing location, or use of suppliers, without advance notification to and written approval of the Buyer's Procurement Representative. Only the Buyer's Procurement Representative has authority on behalf of Buyer to make changes to the Order, which shall be in writing. Items or Services that change without prior notification and consent shall be deemed nonconforming Items or Services under the Order. The issuance of information, advice, approvals, or instructions by Buyer's technical personnel shall be deemed expressions of opinion only and shall not affect the Parties' rights and obligations hereunder, unless the change expressly states that it constitutes an amendment to the Order and is signed in writing by the Buyer's Procurement Representative. If Seller considers that Buyer's conduct constitutes a change, Seller shall notify Buyer immediately in writing as to the nature of such conduct and its effect upon Seller's performance.

(c) If any written change causes an increase or decrease in the estimated costs or the time required for performance of the Order, Seller shall promptly notify Buyer and assert its claim for equitable adjustment in writing within thirty (30) calendar days after the written change is ordered or within such extension as Buyer may grant in writing. The buyer may, in its sole discretion, consider any such claim regardless of when asserted, except that no claim for equitable adjustment shall be allowed after final payment. Nothing in this clause shall be deemed to constitute acceptance by Buyer of the validity of Seller's claim or any part thereof. Once asserted, an equitable adjustment to the Order price and/or delivery schedule may be made and the Parties may modify the Order in writing accordingly. Any equitable adjustment in price to which Seller may be entitled because of an increase in the quantity of Items or Services ordered shall not exceed the unit price established for such Items or Services herein or the NTE amount (for flexibly priced).

3.3 Specifications and Compliance

All products and services must meet the specifications, standards, and regulatory requirements specified in the PO.

4. Pricing and Payment

4.1 Pricing

Prices specified in the PO are fixed and are not subject to changes unless agreed upon in writing.

4.2 Invoices and Payment Terms

Invoices should be sent to **payables@credibility.space**. Payment does not constitute acceptance of goods or services.

Unless otherwise provided by Buyer on the face of the Order, terms of payment are net thirty (30) calendar days from the latest of the following:

- (i) Buyer's receipt of an accurate and approved invoice.
- (ii) the date the Items or Services are delivered and finally accepted, or
- (iii) the date provided in the Order for receipt of Items or completion of Services.

For interim payments under a financing arrangement, except where Buyer or Buyer's customer requires an audit or other review of a specific payment request, payment terms are net thirty (30) from Buyer's receipt of an accurate and approved invoice. Seller shall notify Buyer in writing within thirty (30) calendar days of the occurrence of any alleged payment disputes. Buyer shall pay Seller the prices set forth on the Order for Items delivered and finally accepted or Services rendered and finally accepted, less any deductions provided in the Order. If Seller does not return the acknowledgement page of the Order and commences performance, Buyer shall only be responsible for payment for the work performed to the extent that the work was required by Buyer, not to exceed the amounts set forth in the Order. All payments shall be made in U.S. Dollars with no adjustments for currency exchange rates.

The Parties shall consider the invoices paid on the date the cheque is postmarked and mailed to Seller. For invoices subject to a prompt payment discount, the discount period will be computed from the date of receipt of a correct invoice to the date Buyer issues a cheque.

4.3 Taxes

All prices must include applicable taxes, unless otherwise specified. Any non-inclusive taxes must be listed separately on the invoice.

5. Delivery and Inspection

5.1 Delivery Schedule

Items and Services shall be delivered or performed in accordance with the schedule, shipping instructions, and delivery location set forth in the Order. Time is of the essence in the Seller's performance of the Order. Buyer reserves the right to refuse shipments made in advance of the schedule set forth in the Order and may return early delivery shipments at Seller's expense. If Buyer chooses to retain the Items shipped in advance of the schedule date, Buyer may make payment in accordance with the original delivery schedule in the Order. The buyer shall not be responsible for any additional costs associated with early delivery.

If delivery of goods is not made in quantities and at the time or times specified. Buyer may, at its sole option and without incurring any liability and in addition to all other rights and remedies which it may have pursuant to this PO, take either or both of the following courses of action:

- (i) direct expeditious routing of goods (the difference in cost between the expedited routing and the PO routing costs shall be paid by the Seller), or as to goods not yet shipped,

Acceptance of early or late deliveries shall not be deemed a modification of Seller's obligation to make future deliveries in accordance with the delivery schedule set forth in the Order.

5.3 Delays

Seller shall notify Buyer in writing within twenty-four (24) hours of when any delays in delivery occur or Seller anticipates difficulty in complying with the delivery date set forth on the Order, whether such event is beyond the control of the Seller or not.

Such notice shall include a revised schedule and shall not constitute a waiver to Buyer's rights and remedies hereunder.

The seller shall take all steps necessary to avoid or minimize delays. Except to the extent delay is caused by Buyer, all the costs of delay and any additional effort shall be borne by Seller.

Seller, at the request of Buyer, shall provide

- (a) a written explanation for the root cause of the delay,
- (b) a corrective action plan to address the late deliveries, and
- (c) assurances that Seller will make all future deliveries in accordance with the Order requirements and schedule.

Such corrective action plans and assurances shall be satisfactory to the Buyer as determined by Buyer in its sole discretion.

If Buyer agrees to accept deliveries after the delivery date has passed, Buyer shall have the right to direct Seller to make shipments by the most expeditious means, and the total cost of such expedited shipment and handling shall be borne by Seller.

5.4 Inspection and Acceptance

Final acceptance by Buyer of the Items or Services provided hereunder shall take place only after complete delivery of all Items or Services in accordance with the delivery schedule specified in the Order, or later as agreed upon by the Parties in writing, and after final inspection of those Items or Services by Buyer and Buyer's customer. Final acceptance shall be contingent upon agreement by Buyer and Buyer's customer that the Items or Services conform to the requirements of the Order.

Final acceptance by Buyer is final, except for latent defects, negligent or intentional misrepresentations by Seller that a nonconformity or defect would be or has been cured or did not exist, acceptance induced by false or negligent assurances of Seller, or as otherwise provided in the Order or applicable law. Buyer shall have no obligation to pay for or give other consideration for rejected goods

Final acceptance by Buyer of the Items or Services delivered hereunder shall not limit, void, or affect in any way the warranty or indemnity granted by Seller hereunder.

Payment alone shall not constitute final acceptance of the Items or Services rendered. The requirements and obligations in this Quality Control and Non-Conformance Article are material terms of the Order.

5.5 Packing and Shipping

Suppliers must ensure proper packaging to prevent damage during shipment and comply with any specific handling requirements.

All goods delivered shall be accompanied by a packing slip and, where appropriate, Material Safety Data Sheets.

The packing slip shall provide at least the following information:

- (i) a description of the items,
- (ii) part numbers, revision status,
- (iii) quantity shipped and
- (iv) PO number.

Seller shall comply with all requirements of the Transportation of Dangerous Goods Act (Canada).

6. Quality and Compliance

6.1 Quality Standards

Seller and its suppliers shall establish and maintain a quality management, inspection and counterfeit parts program acceptable to Buyer and consistent with current industry standards (e.g., ISO9001, AS9100, AS9115, AS9120, AS5553, AS6496, AS6174, etc.). Seller shall permit Buyer to review procedures, practices, processes and related documents to determine such acceptability. Seller shall have a continuing obligation to promptly notify Buyer of any violation or deviation from Seller's approved inspection/quality control system.

6.2 Documentation and Traceability

Supplier must provide necessary documentation, including Certificates of Compliance (CofC), material certifications, test results, and inspection reports, ensuring full traceability for all parts in accordance with the supplied Statement of Work (SOW).

6.3 Non-Conforming Products

Supplier must notify Buyer within twenty-four (24) hours if non-conforming products are identified before shipment. The buyer may require corrective action or reject the products.

6.4 Inspection & Acceptance

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

Seller shall provide Buyer and Buyer's customer right of access, on a non-interference basis, to any area of Seller's or Seller's supply chain sub-tier premises where any part of the work is being performed. Seller shall flow this requirement down to its sub tier supply chain suppliers as a condition of the Order. The seller shall, without additional costs to Buyer, provide all reasonable in-plant accommodations, facilities, and assistance for the safety and convenience of Buyer and Buyer's representatives in the performance of their duties.

Acceptance - Acceptance of the Product shall occur no later than ten (10) business days after shipment of Product and shall be based solely on whether the product passes a mutually agreeable inspection designed to demonstrate compliance with the Specifications of the provided SOW. Product shall be deemed accepted if not rejected within this ten-day period. Once a Product is accepted, all Product returns shall be handled in accordance with Section 7 "Warranty".

7. Warranty

7.1 Product Warranty

a) Seller represents and warrants that the Items and Services provided hereunder:

- (i) shall conform to the requirements of the Order, the applicable specifications, and, to the

extent not inconsistent therewith, Seller's documentation.

- (ii) shall be merchantable.
- (iii) shall be fit for the use intended by Buyer, whether expressed or reasonably implied, and/or which is stated on any packaging, labeling, or advertising.
- (iv) shall be free from security interests, liens, or encumbrances and of good title.
- (v) will not infringe or otherwise violate the intellectual property rights of any third party; and
- (vi) are and when delivered to Buyer shall be free from viruses, spyware, and other similar harmful and destructive code designed to damage, destroy, reveal, or alter any software, hardware, or data, permit unauthorized access to any software or hardware, or disable any program automatically.

Seller represents and warrants that for a period of twelve (12) months after final acceptance by Buyer the Items furnished hereunder shall be free from defects in material, workmanship, design, and fabrication. In addition to any warranty, express or implied by law or otherwise, and notwithstanding prior acceptance by Buyer, Seller shall replace the goods without cost to Buyer, if, within a period of twelve (12) months following acceptance, the goods are determined to be defective in design, material, performance, workmanship or are otherwise not in accordance with the requirements of the PO.

In the case of latent defects, Buyer's rights to corrective action by Seller shall commence upon Buyer's discovery of the latent defect and notification of Seller thereof.

- (i) The seller represents and warrants its performance of the Order does not and will not violate or conflict with any agreement to which Seller is a party.
- (ii) there is no pending or threatened litigation that would have a material adverse impact on its performance under the Order,
- (iii) Seller or any of its officers or directors are not presently debarred, suspended, proposed for debarment, or declared ineligible for the award of contracts by any federal agency, and
- (iv) it will perform all Services in a professional and competent manner using properly qualified and trained personnel with the degree of skill and judgment normally exercised by recognized professionals delivering or performing the same or similar services.

(c) Remedies for breach of any of these warranties shall be at Buyer's election, including those specified in Article S(d) (Quality Control and Non-Conformance) for non-conforming Items and Services. The seller shall follow the procedure set forth in Article S(d) (Quality Control and Non-Conformance). Any Items or Services corrected or replaced pursuant to this Warranty Article shall be subject to all provisions of this Warranty Article to the same extent as Items and Services initially delivered.

(d) The warranties set forth herein shall survive inspection, test, final acceptance, and payment of Items and Services. The approval by Buyer of Seller's design or material used or Buyer's inspection of same shall not relieve Seller from any obligations under the warranties set forth in the Order. The warranties set forth in the Order shall run to Buyer, Buyer's customers, and any users of the Items or Services, and shall not be deemed to be the exclusive rights of Buyer, but shall be in addition to other rights of Buyer under law, equity, or the terms of the Order

7.2 Service Warranty

Supplier warrants that all services will be performed in a professional manner by qualified personnel and will conform to specifications agreed upon with the Buyer.

8. Intellectual Property and Confidentiality

8.1 Intellectual Property

All intellectual property provided by or developed under this agreement shall belong to the Buyer. The Supplier agrees to assign any rights in such intellectual property to the Buyer.

8.2 Confidentiality

Suppliers agree to keep all information provided by the Buyer confidential and not disclose it to third parties. This obligation survives the termination of the contract.

The obligations in this Confidentiality Article apply to the extent the Parties have not executed an NDA applicable to the work

under the Order. If the Parties have executed an NDA applicable to the work under the Order, the terms and conditions of the NDA control and take precedence over this Confidentiality Article.

Buyer may disclose to Seller certain non-public information or materials relating to Buyer's products, intellectual property, business, business plans, marketing programs and efforts, customer lists, customer information, financial information, and other confidential information and trade secrets that is identified or labeled as "proprietary" or "confidential" ("Confidential Information") under the Order or under a nondisclosure agreement.

Confidential Information does not include information that: (a) is or becomes publicly available through no breach by Seller of the Order; (b) was previously known to Seller prior to the date of disclosure, as evidenced by contemporaneous written records; (c) was acquired from a third party without any breach of any obligation of confidentiality; or (d) was independently developed by Seller without reference to Buyer's Confidential Information.

To the extent Confidential Information is required to be disclosed pursuant to a subpoena or other similar order of any court or government agency, Seller upon receiving such subpoena or order shall (i) promptly inform Buyer in writing and provide a copy thereof, (ii) cooperate with Buyer in limiting disclosure of Buyer's Confidential Information, and (iii) shall only disclose that Confidential Information necessary to comply with such subpoena or order. Seller will not use or disclose any Buyer Confidential Information without Buyer's prior written consent, except disclosure to and subsequent uses by Seller's authorized employees or consultants on a need-to-know basis for performance of the Order, provided that such employees or consultants have executed written agreements restricting use or disclosure of such Confidential Information that are at least as restrictive as Seller's obligations under this Confidentiality Article.

Subject to the foregoing nondisclosure and non-use obligations, Seller agrees to use at least the same care and precaution in protecting such Confidential Information as Seller uses to protect its own Confidential Information and trade secrets, and in no event less than reasonable care. The seller acknowledges that due to the unique nature of the Buyer's Confidential Information, the Buyer will not have an adequate remedy in money or damages in the event of any unauthorized use or disclosure of its Confidential Information. In addition to any other remedies that may be available in law, in equity or otherwise, Buyer shall be entitled to seek injunctive relief to prevent such unauthorized use or disclosure. In any action for equitable relief, the Parties agree to waive any requirement for the posting of a bond or security.

On Buyer's written request or upon expiration or termination of the Order for any reason, Seller will promptly return or destroy, at Buyer's option, all originals and copies of Buyer's Confidential Information, including all documents and materials it has received containing such Confidential Information, together with all summaries, records, modifications, adoptions and other documents containing or prepared from Buyer's Confidential Information.

9. Compliance with Laws

9.1 Export and Import Laws

The supplier agrees to comply with all applicable export control laws, including ITAR and EAR, and will obtain any necessary licenses or permits. The Supplier is responsible for ensuring that products or services do not violate any export laws.

9.2 Anti-Corruption Compliance

Suppliers agree to comply with all anti-corruption and anti-bribery laws applicable to their business operations. Indemnity and Liability

9.3 Indemnity

Supplier agrees to indemnify and hold Buyer harmless from any claims, damages, or liabilities arising from the Supplier's actions, including but not limited to defects in products, infringement of intellectual property rights, and failure to comply with regulatory requirements.

9.4 Limitation of Liability

A buyer's liability is limited to the total amount of the PO. The Buyer will not be liable for any indirect, incidental, or consequential damages.

10. Force Majeure

Neither party will be liable for failure or delay in performance due to events beyond their reasonable control, including natural disasters, acts of war, labor strikes, or supply chain disruptions. Both parties must notify each other promptly of any such events.

11. Termination

11.1 Termination for Convenience

Buyer may terminate a PO for convenience by providing 5 days written notice to the Supplier. The Supplier will be compensated for goods or services delivered up to the termination date.

11.2 Termination for Cause

Buyer reserves the right to terminate the PO immediately if the Supplier breaches any term of this agreement, including failure to meet quality, compliance, or delivery requirements.

12. Governing Law and Jurisdiction

The laws of the Province of Ontario, Canada shall govern the legal obligations of the parties and the interpretation of the PO and the parties attorn to this jurisdiction. Seller shall comply with all applicable laws and regulations, by-laws and directives relating to the goods and services hereunder, including without limitation all those relating to occupational health and safety, environmental protection, hazardous products and workers' safety insurance board requirements.

13. Entire Agreement

These Terms, together with any PO issued by the Buyer, constitute the entire agreement between the Buyer and Supplier. No additional terms or modifications shall be binding unless agreed upon in writing.

14. Contact Information

For questions or inquiries regarding these Terms & Conditions, please contact:

SCCI
603 March Rd, Ottawa, Ontario

Acknowledgment

By accepting a purchase order from SCCI, the Supplier acknowledges that they have read and understood these Terms & Conditions and agree to abide by them.

ACCEPTANCE

SCCI General Manager Date

Vendor Authorized Representative Date