

DMG MORI Canada Inc. TERMS & CONDITIONS OF SALE

1. GENERAL. These terms and conditions of sale (“Terms”) are the sole terms which govern the sale of goods and/or services (“Goods”) by DMG MORI Canada Inc. or its affiliates (collectively “DMG MORI” or “Seller”) to the customer of DMG MORI (“Buyer”) as listed on the purchase or sales order (“Order”). As such, DMG MORI will only sell the Goods subject to these Terms. All quotations, proposals, all Buyer’s purchase orders, all service, and all confirmations or acknowledgments of Buyer’s purchase orders by DMG MORI are subject to these Terms. These Terms prevail over any of Buyer’s general terms and conditions of purchase regardless of whether or when Buyer has submitted its purchase order or such terms. Buyer’s written acknowledgment or payment of a deposit for the Goods shall be construed as Buyer’s acceptance of these Terms. No additional or other terms will be binding on DMG MORI unless accepted in writing as signed by a duly authorized representative of DMG MORI. Notwithstanding anything herein to the contrary, if a written contract covering the sale of the Goods covered herein is in existence and signed by both parties, the terms and conditions of said contract shall prevail to the extent that they are inconsistent with these Terms herein.

2. PRICES. All prices are subject to federal, provincial and local sales tax, if applicable, and to any other tax Seller may be required to collect or pay in relation to the transactions contemplated herein. Prices do not include sales taxes, goods and services taxes or other taxes. Buyer must pay and absorb any such taxes and indemnify Seller against any claim or liability for such taxes. Seller reserves the right to apply any changes in exchange rate between the time of quoting and the time of receiving Buyer’s order. Any prices provided in a DMG MORI quotation or confirmed purchase order are based on the duties and tariffs in effect as of the date of issuance of the quotation and are subject to change as a result of any changes in the applicable duties and/or tariffs arising after the date of the quotation.

3. PAYMENT TERMS. Unless otherwise expressly and mutually agreed to by the parties in writing, Buyer shall pay for machine to DMG MORI according to the following payment schedule: [30% down-payment upon order confirmation; 60% pre-shipping payment upon notice that the Goods are ready for shipment; 10% final payment upon the earlier of: (i) acceptance of the Goods, but no later than 30 days from the time of risk transfer according to the Incoterms, or (ii) first commercial use of the Goods. If there is a delay in shipment or acceptance due to reasons not attributable to DMG MORI, the second payment becomes due upon receipt of invoice, and the third payment becomes due 30 days after the originally scheduled acceptance date]. Buyer shall pay all other invoices thirty (30) days from invoice date. Shipment, delivery and performance of all work hereunder are subject to the approval of Seller’s credit department. Seller may at any time decline to make any shipment or delivery or perform any work except upon receipt of payment in advance or upon such other payment terms as are acceptable to Seller’s credit department. DMG MORI reserves all rights including rights of replevin and damages for goods remaining unpaid, in whole or in part, more than sixty (60) days after payment is due. DMG MORI may, at its sole discretion, resolve any Buyer claim relating to the Goods by repossessing such Goods and reimbursing Buyer the purchase price for the Goods less depreciation arising from Buyer’s use of the Goods.

4. DELIVERY TERMS. DMG MORI will exert best efforts to cause the Goods to be shipped in accordance with its quotations and these Terms. However, all dates stated by DMG MORI are non-binding, approximate dates only, and are estimated in good faith to the best of DMG MORI’s ability, commensurate with foreseeable scheduling and subject to availability of product and transit. DMG MORI shall not be liable for any loss or damage whatsoever, including loss of income and/or profits, incidental, special or consequential damages resulting from DMG MORI’s delayed shipment of the Goods for any reason whatsoever. Any claims for shortages or claims that the Goods shipped are other than that which was ordered or claims for damages prior to delivery to Buyer must be made in writing to DMG MORI within fifteen (15) days of the arrival of the Goods at Buyer’s facility.

For Goods shipped from DMG MORI Stock: Ex Works DMG MORI’s warehouse at 395 Ambassador Drive in Mississauga, Ontario.

For Goods shipped from DMG MORI Factory to Door: DMG MORI will arrange and pay for freight, carriage, and insurance paid to Buyer door. DMG MORI will arrange and pay for Canadian Customs clearance and duty payments if any, as well as pier loading, de stuffing, storage, inland freight – but will not arrange nor pay for unloading of Goods at final destination.

5. FOUNDATION SPECIFICATION. Buyer is responsible for preparing its facility for machine installation prior to the Goods’ delivery based on the machine’s foundation specifications.

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6. ACCEPTANCE CRITERIA. Unless otherwise agreed by the parties in writing by authorized representatives of each party, the applicable DMG MORI Installation Protocol shall form the sole basis of acceptance requirements for any machine purchased by Buyer. Notwithstanding anything to the contrary herein, a machine shall be deemed accepted on the earlier of sixty (60) days after Shipment or such date that the machine is first used by Buyer for commercial production. Upon completion of agreed acceptance criteria, installation or deemed acceptance, whichever is applicable, Buyer agrees to complete all necessary paperwork to acknowledge acceptance of the machine. Buyer's failure to complete such paperwork shall bear no effect on the acceptance of the machine.

7. RISK OF LOSS AND INSURANCE. The risk of loss of the Goods shall pass to Buyer upon delivery of Goods to Buyer door. Notwithstanding anything to the contrary herein, Buyer covenants and agrees to insure the Goods for the full replacement value thereof from the date of notification of delivery to the date of final payment receipt by Seller. Buyer further covenants and agrees to obtain an insurance binder naming Seller as an additional named insured in respect of the proceeds of insurance on the Goods until the purchase price has been paid in full. Proof of such insurance shall be provided to Seller prior to delivery. Buyer must be able to demonstrate compliance with the machine's preventative maintenance requirements, as outlined Chapter 8 of the Instruction Manual, in order to pursue any insurance claim.

8. SECURITY INTEREST. To secure Buyer's payment obligations under this Agreement, Buyer hereby grants to Seller and Seller hereby retains the option to register a security interest in the Goods, whether currently in Buyer's possession or hereafter acquired, and all spare parts and components therefor, together with any and all proceeds of sale or other disposition of the Goods, including, but not limited to, cash, accounts, contract rights, chattel paper and writings evidencing the same. Buyer authorizes Seller to execute and file one or more financing statements or registration forms pursuant to the applicable personal property security legislation in force in the province of Buyer's chief executive office (or the province of residence if Buyer is an individual) in a form satisfactory to Seller to evidence Seller's security interest granted hereunder. Where Buyer's chief executive office or province of residence is in Quebec, Buyer also grants to Seller a hypothec in the principal amount equal to the maximum obligations due to the Seller, plus an amount equal to 20% of such amount, the whole bearing interest at a rate of 25% per annum on the Goods.

Until Buyer has repaid all amounts owing hereunder, it will keep the Goods free from any lien, security interest, hypothec, charge or encumbrance. Buyer will not store the Goods or any part thereof or use the Goods in contravention of any law. In the event Buyer defaults in its payment obligations under this Agreement, Seller may declare all amounts owing hereunder immediately due and payable and will have the remedies of a secured party or the holder of a security under the Personal Property Security Act (PPSA) or the Civil Code of Quebec (if applicable) including the right to enter Buyer's premises and disable and remove the Goods or any portion thereof. Buyer agrees to pay Seller's reasonable attorneys' fees and court costs for the collection of any amounts owing to Seller hereunder and/or incurred in the repossession of the Goods.

9. RESERVE OF OWNERSHIP (for buyers in the province of Quebec). Notwithstanding anything to the contrary herein, Seller remains owner of all Goods sold until full payment of the purchase price is received in capital, interest and costs.

10. CANCELLATIONS. Orders with Goods that have already been shipped from the factory cannot be cancelled by Buyer and Buyer shall be liable for the full Order price. "Special Orders", which are orders for items customized for the Buyer cannot be cancelled. Orders other than Special Orders that have not been shipped may be cancelled in writing by Buyer to DMG MORI but shall be subject to a cancellation charge as set forth below. Buyer and DMG MORI acknowledge and agree that the DMG MORI's harm caused by Buyer's cancellation would be impossible or very difficult to accurately estimate at the date of the Order, and that the cancellation charges set forth below are reasonable estimates of the damages which DMG MORI will incur as a result of the cancellation. Orders that are cancelled within one week of the date of the Order are subject to a cancellation fee equal to 10% of the total Order price. Orders cancelled more than one week after the date of the Order and more than 90 days before the planned shipment date are subject to a cancellation fee of 20% of the Order price. Orders cancelled from 90 to 61 days before the planned shipment date are subject to a cancellation fee of 30% of the Order price. Orders cancelled from 60 to 31 days before the planned shipment date are subject to a cancellation fee of 40% of the Order price. Orders cancelled 30 days or less before the planned shipment date are subject to a cancellation fee of up to 50% of the Order price.

11. LIMITATION OF WARRANTY. Seller warrants that new and unused Goods furnished by Seller are free from defects in material and workmanship as of the time and place Seller makes delivery. The warranty term for a machine begins on the earliest of: (i) the date of installation; (ii) the date of acceptance or (iii) 60 days after delivery and lasts

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for a period of twenty-four (24) months. Where Seller undertakes to perform or assist in any servicing, installation, demonstration, repair or replacement, Seller warrants that its performance or assistance will be free from defect in material or workmanship. Seller's warranties are extended only to the original Buyer and may not be assigned to any subsequent buyer. In the case of Seller's breach of warranty or any other duty with respect to the quality of any Goods or services, the exclusive remedies therefor shall be (i) repair; (ii) replacement; or (iii) return of the purchase price (less reasonable depreciation) on authorized return of the Goods. Seller retains the sole option to select among these three (3) remedies. Any claim for breach of warranty against Seller must be made promptly in writing and pursued by Buyer within two (2) years following the date of shipment of the Goods.

In no event shall this warranty apply to any Goods which have been subject to any form of misuse, misapplication, negligence, accident, modifications or tampering, or any attempts by Buyer or anyone other than Seller to repair or replace the Goods or any part thereof, nor shall it apply to Seller's product components used other than in Seller's products for which the same were designed.

DMG MORI makes no other representations or warranties whatsoever with respect to the Goods, including but not limited to (a) any warranty of merchantability; or (b) any warranty of fitness for a particular purpose; whether direct or indirect, express or implied by law, course of dealing, course of performance or usage of trade. DMG MORI makes no warranty as to the quality, finish, accuracy or tolerance, compliance with electrical, hydraulic, pneumatic or other safety codes required by any governmental or quasi-governmental body, or as to the efficiency, productivity or performance of any Good.

12. LIMITATION OF LIABILITY. SELLER'S LIABILITY – REGARDLESS OF THE REASON IN LAW – IS RESTRICTED TO THE WILFUL INTENT AND GROSS NEGLIGENCE OF SELLER. EVEN IN CASES OF WILFUL INTENT OR GROSS NEGLIGENCE BY SELLER, SELLER'S LIABILITY IS LIMITED TO LOSS OR DAMAGE OCCURRING TO THE MACHINE ITSELF AND WHICH IS REASONABLY FORESEEABLE IN A CONTRACT AT THE TIME THE CONTRACT WAS CONCLUDED. AND, IN ALL CASES, SELLER'S LIABILITY SHALL BE LIMITED TO THE REMEDIES OF (i) REPAIR; (ii) REPLACEMENT; OR (iii) RETURN OF THE PURCHASE PRICE (LESS REASONABLE DEPRECIATION) ON AUTHORIZED RETURN OF THE GOODS.

NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY HEREIN, BUYER EXPRESSLY AGREES THAT IN NO EVENT SHALL DMG MORI BE LIABLE UNDER ANY THEORY OF RECOVERY, WHETHER BASED IN CONTRACT, IN TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), UNDER WARRANTY, OR OTHERWISE, FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL LOSS OR DAMAGE WHATSOEVER, ANY LOSS OF PROFITS, LOSS OF GOODWILL, LOSS OF OPPORTUNITY, LOSS OF BUSINESS, LOSS OF REPUTATION AS A RESULT OF ANY CLAIM BROUGHT BY BUYER OR A THIRD PARTY ARISING OUT OF OR RELATING TO: (i) ANY BREACH BY DMG MORI OF THESE TERMS; (ii) ANY REPRESENTATION, STATEMENT OR TORTIOUS ACT OR OMISSION (INCLUDING NEGLIGENCE) OF DMG MORI; AND (iii) ANY USE OF THE GOODS OR THE FAILURE OF THE GOODS TO OPERATE PROPERLY; EVEN IF SUCH LOSSES WAS IN CONTEMPLATION OF THE PARTIES OR WAS WHOLLY FORESEEABLE.

BUYER SHALL INDEMNIFY, DEFEND AND HOLD DMG MORI HARMLESS FROM AND AGAINST ALL CLAIMS, ACTIONS, DAMAGES, LIABILITIES, COSTS AND EXPENSES (INCLUDING BUT NOT LIMITED TO ATTORNEY'S FEES) INVOLVING A THIRD-PARTY CLAIM ARISING OUT OF BUYER'S USE OF THE GOODS EXCEPT TO THE EXTENT CAUSED BY DMG MORI'S NEGLIGENCE OR WRONGFUL ACTS.

FURTHER, BUYER EXPRESSLY AGREES THAT IN NO EVENT SHALL THE AGGREGATE LIABILITY OF DMG MORI UNDER ANY THEORY OF RECOVERY EXCEED THE PURCHASE PRICE OF THE GOODS FROM WHICH LIABILITY AROSE.

BUYER ASSUMES ALL RISK AND LIABILITY FOR THE RESULTS OBTAINED BY THE USE OF ANY GOODS IN THE PRACTICE OF ANY PROCESS, WHETHER IN TERMS OF OPERATING COSTS, GENERAL EFFECTIVENESS, SUCCESS OR FAILURE, AND REGARDLESS OF ANY ORAL OR WRITTEN STATEMENTS MADE BY DMG MORI, BY WAY OF TECHNICAL ADVICE OR OTHERWISE, RELATED TO THE USE OF THE GOODS.

13. CONFIDENTIAL INFORMATION. All drawings, designs, specifications, manuals, software, programs and prices furnished to Buyer by DMG MORI shall remain the confidential and proprietary property of DMG MORI. All such information, except as may be found in the public domain, shall be held in strict confidence by Buyer and shall not be disclosed by Buyer to any third parties. Copyright in all material made available by DMG MORI shall remain in DMG MORI at all times.

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14. SAFETY PRECAUTIONS. Buyer shall require its employees to make use of all safety devices, guards and safe operating procedures as set forth in manuals and instruction sheets provided by DMG MORI. Buyer shall not remove or modify any such device, guard or other safety notice on the machine. It is Buyer's responsibility to provide all the reasonable and necessary means to effectively protect all employees from serious bodily injury which otherwise may result from the method of set-up, use, operation or service of the Goods. It is the responsibility of Buyer to comply with all applicable safety laws, regulations and codes. If Buyer fails to comply with the requirements of this section or the applicable standards or regulations, Buyer shall indemnify, defend and hold DMG MORI harmless from and against any and all claims, losses or damages arising from such failure.

15. EXPORT RESTRICTIONS. Buyer agrees and acknowledges that the Goods may be subject to export restrictions and that Buyer will not transfer the Goods or allow them to be transferred anywhere outside of Canada without the prior written authorization of Seller. To prevent the illegal diversion of a machine to individuals or nations that threaten international security, it may include a "Relocation Machine Security (RMS) Function" that automatically disables the machine if moved at any time following installation. If a machine is so disabled, it can only be re-enabled by contacting DMG MORI. Buyer agrees and acknowledges that it may bear service costs associated with re-enabling the machine. Though, DMG MORI may refuse to re-enable the machine if it determines that doing so would be an unauthorized export of technology or otherwise violate applicable export restrictions. DMG MORI shall have no obligation to re-enable such machines and shall have no liability (including for lost profits or business interruption) as a result thereof.

16. TIME STUDY & DESCRIPTIONS OF GOODS. All time study figures provided by DMG MORI are estimates only and are based on the following factors: (i) DMG MORI's understanding of the accuracy and finish required; (ii) machinability of the material; (iii) amount of material to be removed and (iv) Buyer's operating conditions. DMG MORI makes no warranty based upon or relating to time study figures. All weights and measurements given are estimates, stated as accurately as possible and any minor deviations shall not constitute non-conformity of the goods. Brochures, photographs and other illustrations representing the Goods are for illustration only and are not binding in detail. Brochures, product designs and specifications are subject to change without notice.

17. HUMAN RIGHTS. Buyer shall, at all times during the term of this Agreement, comply with all internationally recognized human rights and shall refrain from engaging in any illegal, unethical or deceptive practices throughout all aspects of its business and supply chains. This includes, but is not limited to, forced labour, child labour, bonded labour, indentured labour, prison labour and human trafficking and slavery. Upon request, Buyer shall provide DMG MORI with documentation which substantiates its human rights compliance procedures and policies.

18. ANTI-BRIBERY. Buyer agrees and acknowledges that it shall comply with all applicable legislation prohibiting public corruption and commercial bribery. Further, no part of the payments received will be used by DMG MORI for any purpose which would contravene the applicable anti-bribery laws.

19. FORCE MAJEURE. Seller shall not be responsible for nonperformance or late performance of any part of the Order due to reasons beyond Seller's control which render Seller's performance impossible or impracticable, including, without limitation, an act of God, strike, riot, fire, war, late or non-delivery by Seller's suppliers, lack of shipping space, assertion by third parties of infringement claims, domestic and foreign governmental actions and regulations, and all other contingencies beyond Seller's control. Each party shall notify the other in writing of the cause of such delay within five (5) days after the beginning thereof. If an event of force majeure occurs, DMG MORI, may at its sole option, either extend the time for performing affected obligations during the period in which the event of force majeure persists or cancel the Order.

20. CHOICE OF LAW. The validity and interpretation of this Agreement will be governed and construed according to the laws of the Province of Ontario and the federal laws of Canada applicable therein. Application of the United Nations Convention on Contracts for the International Sale of Goods is expressly excluded. The parties hereby consent to service of process, personal jurisdiction and venue in the Provincial courts located in Toronto, Ontario, and select such courts as the exclusive forum with respect to any action or proceeding brought to enforce any dispute, liability or obligation under this Agreement. Any legal action with respect to any transaction contemplated hereunder must be initiated within one year and one day after the cause of action has occurred.

21. LANGUAGE. The parties acknowledge having expressly required that this document and all present or future notices, requests, agreements and any other writings in relation thereto be drawn in English. Les parties déclarent avoir expressément requis que ce document et tous les avis, demandes et documents actuels ou futures s'y rapportant soient rédigés en anglais.

22. INVALIDITY AND UNENFORCEABILITY. If any provision contained in this Agreement is conclusively determined

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by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the Agreement will not be affected.

23. ASSIGNMENT. This Agreement between DMG MORI and Buyer may not be assigned without the prior written consent of the parties hereto. Any purported assignment or delegation of rights in violation of this section is declared to be null and void. No assignment or delegation relieves the Buyer of any of its obligations under these Terms.

24. MERGER. The entire Agreement is embodied in this writing. There are no understandings, agreements, representations, or warranties, either oral or written, relative to goods or services, including statements made in or conduct implied from past dealings that are not fully expressed herein. No statement subsequent to the acceptance by DMG MORI of the purchase order purporting to modify the said terms and conditions shall be binding unless consented to in writing by a duly authorized representative of DMG MORI in a document making specific reference to this transaction.

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