



# ZEF ENERGY

Building a Zero Emissions Future

## Conditions of Sale COS 1.5 - 20250217

1. All sales are expressly conditional on Buyer's agreement to the standard terms and conditions on this form, the Owner Operations Agreement, ZEFNET SAAS Terms and Conditions, and the attached quotation or proposal. No additional or different terms apply unless expressly agreed to in writing by ZEF Energy, Inc (Seller). Seller hereby gives notice of its objection to any different or additional terms.
2. All sales are made F.O.B. point of shipment, freight prepaid and added to the invoice at cost. Shipments may be made Freight Collect upon Buyer's request. Each shipment and delivery will be treated as a separate and independent transaction. Title and risk of loss shall transfer from Seller to Buyer upon delivery at the F.O.B. point of shipment. All sales are final.
3. Shipment dates given in advance of actual shipment are estimated and deliveries will be made subject to prior orders on file with Seller. Seller shall not be liable for failure to perform or delay in performance hereunder resulting from fire, labor difficulties, transportation difficulties, delays in usual sources of supply, major changes in economic conditions or, without limitation by the foregoing, any cause beyond Seller's reasonable control.
4. Terms of warranty for all ZEF Energy, Inc products are per the ZEF Energy Limited Warranty. In cases where a product sold by ZEF Energy Inc. includes a warranty backed by the original equipment manufacturer (OEM), ZEF Energy Inc. shall not be liable if the OEM ceases operations, reorganizes, enters Chapter 11 bankruptcy, or experiences any other situation that limits its ability to fulfill the warranty obligations. In such events, the end customer shall become a creditor of the OEM for the coverage of the warranty, and ZEF Energy Inc. will have no further obligation or liability in connection with the warranty provided by the OEM.
5. Transfer of Warranty. Any warranty from ZEF Energy, Inc. ("ZEF") or the original equipment manufacturer ("OEM") in connection with Products sold hereunder will not transfer until the final end customer (the entity that will install, own, and operate the equipment) takes physical delivery of the equipment. No intermediary party, including any distributor, reseller, broker, or other third party, shall be deemed a transferee or beneficiary of such warranty. Any purported transfer of the warranty before the final end customer's receipt of the equipment shall be null and void.

For the avoidance of doubt, if an OEM limits the number of times its warranty may be transferred, the only recognized transfer will be from ZEF (or its assigns, if applicable) directly to the final end customer upon the final end customer's physical receipt of the equipment. Any intermediate transfers or assignments of the OEM's warranty rights are not recognized or enforceable against ZEF or the OEM.

The terms and conditions of the ZEF Energy Limited Warranty continue to apply in all respects, except as otherwise modified by the terms set out herein. In instances where the warranty is backed by an OEM, ZEF shall have no liability for any loss of coverage caused by a breach of the OEM's transfer limitations, changes in the OEM's ability to perform, or the OEM's insolvency, bankruptcy, or reorganization.

THE ZEF ENERGY LIMITED WARRANTY IS EXPRESSLY IN LIEU OF AND EXCLUDES ALL OTHER EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR PARTICULAR PURPOSE, USE, OR APPLICATION, AND ALL OTHER OBLIGATIONS OR LIABILITIES ON THE PART OF SELLER, UNLESS SUCH OTHER WARRANTIES, OBLIGATIONS OR LIABILITIES ARE EXPRESSLY AGREED TO IN WRITING SIGNED AND APPROVED BY SELLER. UNLESS EXPRESSLY AGREED TO BY SELLER IN WRITING SIGNED AND APPROVED BY SELLER, SELLER PROVIDES NO WARRANTIES IN CONNECTION WITH ANY SERVICES SELLER PROVIDES TO BUYER IN CONNECTION WITH OR RELATING TO THE PRODUCT AND/OR INSTALLATION THEREOF, ANY SUCH SERVICES ARE PROVIDED "AS IS," AND SELLER HEREBY DISCLAIMS ANY AND ALL EXPRESS OR IMPLIED WARRANTIES IN CONNECTION WITH ANY SUCH SERVICES, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR PARTICULAR PURPOSE.

6. Neither party will accept any penalty or liquidated damage clauses of any kind, written or implied, or any liability arising from such clauses.
7. The prices stated in this quotation shall, unless renewed, automatically expire thirty (30) days from the date hereof and are, by notice, subject to changes at any time, upon agreement with Buyer. The prices shown do not include any sales taxes or other charges payable to state or local authorities. Any such taxes now or hereafter imposed with respect to sales or shipments hereunder will be added to such prices and the Buyer agrees to reimburse Seller for any such taxes or charges. Buyer shall have no rights to any setoffs of any nature relating to any payments due to Seller.
8. If not otherwise specified, terms of payment are 50% due at time of order, balance due prior to shipment. After a deposit is paid, if Buyer cancels the associated Purchase Order, Buyer may apply its deposit to another Purchase Order in full, provided the new



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Purchase Order is placed contemporaneously with the cancellation. Subsequent cancellations, even if replaced with a new Purchase Order, may be subject to deductions of reasonable carrying costs by Seller. If Seller shall have any doubt at any time as to Buyer's ability to pay, Seller may decline to make deliveries except upon receipt of satisfactory security.

9.
  - a. Seller shall, at its expense, defend any suit brought against Buyer, based on a claim that any product furnished by Seller pursuant to these terms and conditions constitutes an infringement of any United States patent, and Seller shall pay all judgments and costs recovered against Buyer in any such suit and shall reimburse Buyer for costs or expenses incurred by Buyer in the defense of any such suit, provided that Buyer gives Seller prompt notice of such suit, reasonable assistance in the defense thereof, and full opportunity to control all aspects of the defense thereof, including settlement. In the event such product is held to constitute infringement, and the use of the product is enjoined, Seller shall, at its option, procure for Buyer the right to continue using the product; replace it with non-infringing product; modify it so it becomes non-infringing; or remove the product and refund the portion of the purchase price applicable thereto, including the transportation and installation thereof.
  - b. Seller's liability for patent infringement shall not apply to:
    - i) Patented processes performed by the product or another product produced thereby;
    - ii) Products supplied according to a design other than that of Seller and which is required by Buyer; or
    - iii) Modifications of the product or combinations of the product with another product not furnished by Seller.
    - iv) failure of Buyer to implement any update provided by Seller that would have prevented the claim, demand, suit, action or judgment;
    - v) unauthorized use of the product, whether or not in breach of these terms and conditions.
  - c. The foregoing paragraphs 12(a) and 12(b) state the entire liability of Seller to Buyer for patent infringement by any product furnished by Seller to Buyer
  - d. If a suit is brought against Seller on account of any of items listed in clauses (i) thru (v) of paragraph 12(b), Buyer shall indemnify, defend and hold harmless Seller against any and all liability, damage, loss or expense (including, but not limited to, reasonable attorneys' fees and expenses of litigation) to the proportionate extent caused by Buyer.
10. No sales representative of Seller has authority to alter, vary, or waive any of the terms and conditions set forth herein.
11. In the event Buyer defaults in payment, Buyer shall be liable for all collection costs incurred by Seller including, but not limited to, attorney and collection agency fees.
12. In the event Buyer does not pay undisputed amounts when due, past due amounts are subject to service charges of the lesser of 1.50% per month or the maximum permitted by law.
13. The parties acknowledge and agree that nothing contained herein, in the quotation or in Buyer's agreement is intended to grant any rights to Buyer under any patent, copyrighted or non-copyrighted work, secret process, trade secret, patented or unpatented invention, specification, design, drawing, data, technical information or any other intellectual property right or proprietary information of Seller (Intellectual Property Rights). No Intellectual Property Rights are either expressly or impliedly licensed or granted hereunder or thereunder to Buyer, and such Intellectual Property Rights are expressly reserved by Seller. Buyer acknowledges, on behalf of itself and its affiliates and each of their respective employees, directors, officers, governors, managers, shareholders, members agents and representatives, that any and all Intellectual Property Rights belong exclusively to Seller and undertakes not to challenge, infringe or harm in any way such Intellectual Property Rights.
14. It is the policy of ZEF Energy, Inc to provide equal opportunity and to adhere to Federal, state and local laws pertaining thereto, if any.
15. Both parties are responsible for compliance with all laws and regulations applicable to their respective obligations under this Agreement.
16. If Buyer is supplying or supplies Seller's products to a third party, Buyer shall require the third party to be bound by the limitations and exclusions in paragraph 7 hereof. If Buyer does not obtain such agreement from the third party for Seller's benefit, Buyer shall indemnify and hold harmless Seller from all liability arising out of claims made by the third party in excess of the limitations and exclusions set forth in paragraph 7.
17.
  - a. Buyer *represents* and warrants that in connection with any transactions subject to these terms it will fully comply with all applicable export controls, import controls and customs, and economic and trade sanctions laws and regulations, including but not limited to the Export Administration Regulations ("EAR") (15 CFR §§ 730-774) maintained by the U.S. Department of Commerce; the International Traffic in Arms Regulations ("ITAR") (22 CFR §§ 120-130) maintained by the U.S. Department of State; and trade and economic sanctions maintained by the U.S. Treasury



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Department's Office of Foreign Assets Control ("OFAC").

b. Buyer represents and warrants that in connection with any transactions subject to these terms it will not – directly or indirectly – knowingly sell, export, re-export, transfer, divert, or otherwise dispose of any product, software, or technology (including products derived from or based on such technology) received from the Company to any destination, entity, person, or end-use prohibited by the laws or regulations of the United States, without obtaining prior authorization from the competent government authorities as required by those laws and regulations.

c. Buyer represents and warrants that in connection with any transactions subject to these terms it will fully comply with all applicable anti-corruption and anti bribery laws, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "FCPA"), the U.K. Bribery Act 2010; and that [Customer] has not and will not in the future corruptly offer, pay, give, promise, or authorize the payment of anything of value, directly or indirectly, to any person, including any Foreign Official (as defined in the FCPA), for purposes of: (i) inducing a person to improperly perform any relevant function or activity; (ii) inducing or rewarding a Foreign Official to do or omit to do any act in violation of his or her lawful duty; (iii) improperly securing any business or business advantage; or (iv) inducing a Foreign Official to use his or her influence, in each case in any way related to any transactions subject to these terms.

18. These terms and conditions shall be governed by the substantive laws of the State of Minnesota, without regard to the conflicts of law provisions thereof. The U.N. Convention on the International Sales of Goods shall not apply.