



Standard Terms and Conditions of Purchase

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Rev. 0
Date: OCT-18-2026
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STANDARD TERMS AND CONDITIONS OF PURCHASE

FI-PAY-PLC-001 · KASI Technologies Inc. · Document Control

REVISION HISTORY

Date	Rev.	Description of change	Reason for change
OCT-18-2026	0	Original issue. KASI's standard terms and conditions of purchase, referenced on every KASI purchase order. Payment terms net 45.	New document. Sets the terms for all purchases and communicates KASI's requirements to external providers (ISO 9001:2015 clause 8.4.3).

CHANGE CONTROL

Date	Rev.	Issued for:	Prepared by	Approved by
OCT-18-2026	0	Implementation	Scott Fong	CEO

1. Application and Acceptance

- 1.1 **Definitions.** "KASI" means KASI Technologies Inc., 125 – 3001 Buckingham Drive, Sherwood Park, AB T8H 0X5. "Vendor" means the person or company named on the purchase order (PO). "Goods" and "Services" mean everything the PO describes, including documents, certificates and test records. "Days" means calendar days. "Working days" excludes weekends and Alberta statutory holidays.
- 1.2 **These terms govern.** Every KASI PO is subject to the revision of these terms in effect on the PO date. The PO and these terms together form the whole agreement.
- 1.3 **Vendor terms excluded.** Terms in the Vendor's quotation, acknowledgment, invoice, packing slip or website do not apply unless KASI agrees to them in writing on the PO. This applies even if KASI does not object to them. These terms also prevail over the general website terms published on kasi.ca, which do not apply to purchases by KASI.
- 1.4 **Acceptance.** The Vendor accepts the PO and these terms by signing or acknowledging it, by starting work, or by shipping any Goods, whichever happens first.
- 1.5 **Order of precedence.** If documents conflict, the order is: (a) the PO face, including written special instructions; (b) these terms; (c) drawings and specifications referenced on the PO; (d) any Vendor quotation referenced on the PO, but only for its description of scope, quantity and price. All other terms in that quotation are excluded.
- 1.6 **PO required.** KASI is not obliged to pay for Goods or Services supplied without a valid KASI PO number.
- 1.7 **Affiliates.** These terms apply to purchases from KASI's affiliated companies unless a written intercompany agreement says otherwise.

2. Prices, Invoicing and Payment

- 2.1 **Prices are firm.** Prices on the PO are fixed and include packing, documentation and any charges not listed separately. No price increase, surcharge or extra charge applies unless KASI agrees to it in writing through a revised PO. If the PO shows no price, the Vendor confirms the price in writing before shipping, and it may not exceed the Vendor's last price to KASI.
- 2.2 **Currency.** Prices are in the currency shown on the PO, or in Canadian dollars if none is shown. Prices in another currency are fixed in that currency and are not adjusted for exchange rates. Each party pays its own bank charges.

- 2.3 **Taxes.** GST and other applicable taxes are shown as separate lines on the invoice. KASI's GST number is 858899123 RT0001.
- 2.4 **Payment terms: net 45.** KASI pays net 45 days from the later of: (a) receipt of a correct invoice; and (b) delivery of the Goods or completion of the Services. Payment does not mean KASI has accepted the Goods or Services.
- 2.5 **Invoice requirements.** Every invoice must show the KASI PO number, line items matching the PO, quantities shipped, the packing slip or delivery reference, and taxes shown separately. An invoice that does not meet these requirements is returned, and the 45 days start once a correct invoice arrives.
- 2.6 **Where to send.** Invoices go to KASI Accounts Payable at ap@kasi.ca.
- 2.7 **Time-and-materials Services.** Rates on the PO are fixed. The Vendor submits timesheets approved by KASI with its invoice. Overtime, expenses and extra hours need KASI's written approval in advance. Invoices may not exceed any not-to-exceed amount on the PO.
- 2.8 **Disputed amounts.** KASI may withhold payment of any amount it disputes in good faith and pay the undisputed balance on time. KASI may set off amounts the Vendor owes it against amounts it owes the Vendor.
- 2.9 **No late charges** apply unless KASI has agreed to them in writing on the PO.
- 2.10 **Construction work.** Where the Prompt Payment and Construction Lien Act (Alberta) applies to the work, its payment periods, holdback and dispute rules prevail over sections 2.4 and 2.8. KASI retains holdback as that Act requires. The Vendor keeps the site and the Goods free of liens, and promptly discharges any lien registered by its sub-suppliers.

3. Delivery, Shipping, Title and Risk

- 3.1 **Time matters.** Delivery dates on the PO are essential. The Vendor tells KASI in writing as soon as it knows a delivery will be late, with the reason and a new date.
- 3.2 **Late delivery.** If the Vendor misses the PO delivery date, KASI may cancel the late items without liability, buy replacements elsewhere, and recover any extra cost from the Vendor.
- 3.3 **Delivery terms.** Delivery is DAP (Incoterms 2020) to the PO ship-to address unless the PO states other terms. Under DAP, KASI pays import duties and taxes, and the Vendor pays all other costs to the ship-to address, including export clearance. Freight not shown on the PO is the Vendor's cost. Where the PO names a carrier or KASI freight account, the Vendor must use it.
- 3.4 **Packing slip required.** Every shipment carries a packing slip showing the KASI PO number, line numbers, quantities and any serial or heat numbers. KASI holds any shipment without a packing slip until one is provided, and the payment period does not start in the meantime.
- 3.5 **Packing.** Goods are packed to prevent damage in transit and are labelled with the PO number. Dangerous goods are classified, packed, labelled and documented as the TDG Regulations and WHMIS 2015 require, with current safety data sheets.
- 3.6 **Partial or early shipments, and over-shipments,** are accepted only if KASI agrees in writing. KASI may return excess quantities at the Vendor's cost.
- 3.7 **Title and risk.** Title and risk of loss pass to KASI when the Goods are delivered to the ship-to address under the agreed delivery term. Rejected Goods stay at the Vendor's risk.
- 3.8 **Imports.** For cross-border shipments, the Vendor provides a commercial invoice, the country of origin and HS codes, and any certificate of origin needed for duty-free treatment under CUSMA.

4. Inspection, Acceptance and Rejection

- 4.1 **Inspection on receipt.** KASI checks Goods against the PO and packing slip for damage, shortages and nonconformity. Signing a packing slip or carrier receipt confirms receipt only. It is not acceptance.
- 4.2 **Acceptance.** Goods and Services are accepted 30 days after delivery or completion unless KASI rejects them in writing before then. Acceptance does not limit KASI's rights for hidden defects or under the warranty (section 6).
- 4.3 **Rejection.** KASI may reject Goods or Services that are nonconforming, damaged, late, or missing required documents. KASI gives the Vendor the reason in writing and records it through its nonconformity process.
- 4.4 **Vendor remedy.** For rejected items, KASI may choose to have the Vendor (a) repair or replace them promptly at the Vendor's cost, (b) refund or credit the price, or (c) let KASI fix them and charge the reasonable cost back to the Vendor.
- 4.5 **Returns.** The Vendor issues an RMA number within 2 working days of KASI's request. Return freight and handling for rejected Goods are the Vendor's cost. Rejected Goods not collected or dispositioned within 30 days may be returned or disposed of at the Vendor's cost.
- 4.6 **Source inspection.** Where the PO states it, KASI or its customer may inspect or audit at the Vendor's premises with reasonable notice. This does not relieve the Vendor of its responsibility to supply conforming Goods.

5. Quality Requirements

This section sets out KASI's requirements for external providers under ISO 9001:2015 clause 8.4.3.

- 5.1 **Conformance.** Goods and Services must meet the PO, the drawings, specifications, standards and revision levels it references, and the manufacturer's published data. Where no revision is stated, the latest issue on the PO date applies.
- 5.2 **Approval and release.** Where the PO calls for a first article, sample, or KASI approval of methods, processes or equipment, the Vendor does not ship or release production quantities until KASI approves in writing.
- 5.3 **Documents with the shipment.** The Vendor supplies, at no extra charge, the documents the PO calls for. These can include certificates of conformance, mill or material test reports, calibration certificates, certification marks, test reports and safety data sheets. Goods that arrive without the required documents may be held or rejected.
- 5.4 **Calibration services.** Calibration certificates show as-found and as-left data, measurement uncertainty, and traceability to SI units through the National Research Council Canada or another national metrology institute. Where the PO requires it, the laboratory is accredited to ISO/IEC 17025. The Vendor tells KASI in writing within 2 working days of any as-found result that is out of tolerance.
- 5.5 **Nonconformity.** The Vendor tells KASI in writing before shipping if any Goods or Services do not conform. Nonconforming items are shipped only with KASI's written concession. The Vendor also tells KASI promptly if it learns of a defect in Goods already delivered.
- 5.6 **Changes at the Vendor.** The Vendor tells KASI before changing a product's design, materials, manufacturing location or key sub-supplier where the change could affect form, fit, function or certification. The Vendor also tells KASI promptly if it loses or changes any certification or accreditation that KASI relies on.
- 5.7 **Competence.** People doing the work, including any outsourced process service such as calibration, repair, machining or coating, are qualified and, where required, certified for it. The Vendor provides evidence of this on request.

- 5.8 **Performance monitoring.** KASI evaluates the Vendor's delivery and quality performance, and uses the results to decide whether the Vendor stays on its approved vendor list. The Vendor answers KASI's evaluation and corrective-action requests on time.
- 5.9 **Flow-down.** The Vendor passes all applicable requirements of the PO and these terms to its own sub-suppliers.
- 5.10 **Records.** The Vendor keeps quality and traceability records for the Goods or Services for at least 7 years and makes them available to KASI, its customers and its registrar on request.
- 5.11 **Counterfeit parts.** The Vendor supplies only new, genuine parts from the original manufacturer or its authorised distributors, unless the PO says otherwise.

6. Warranty

- 6.1 **What the Vendor warrants.** Goods are new, of merchantable quality, fit for any purpose stated on the PO, free from defects in materials, design and workmanship, and free of liens. Services are performed competently and with care, to good industry practice.
- 6.2 **Warranty period.** The warranty lasts 12 months from first use by KASI or its customer, but ends no later than 18 months after delivery. If the Vendor's standard warranty is longer, the longer period applies. Repaired or replaced items get a new warranty period from the date they are returned to KASI.
- 6.3 **Remedy.** During the warranty period, the Vendor fixes defects promptly at its own cost, including freight both ways and reasonable removal and reinstallation costs.
- 6.4 **Passing warranties on.** KASI may pass these warranties, and any manufacturer's warranty, to its customers and rental clients.
- 6.5 **Not excluded.** These warranties are in addition to any implied by law, including the Sale of Goods Act (Alberta), and the Vendor's documents cannot exclude them.

7. Changes, Suspension and Cancellation

- 7.1 **Changes.** KASI may change quantities, delivery dates, ship-to address or specifications in writing. If a change affects the Vendor's cost or schedule, the Vendor says so in writing within 5 working days. The parties then agree an adjustment, and it is issued as a revised PO. The Vendor makes no change without a revised PO.
- 7.2 **Suspension.** KASI may suspend work in writing. The Vendor stops work, protects work in progress, and resumes when KASI tells it to.
- 7.3 **Cancellation for convenience.** KASI may cancel all or part of a PO in writing before shipment. KASI then pays only for work properly completed and reasonable non-cancellable costs incurred before the notice, up to the PO price. Standard catalogue or stock items may be cancelled without charge before they ship.
- 7.4 **Cancellation for default.** KASI may cancel without liability if the Vendor fails to perform, does not fix a breach within 10 days of written notice, or becomes insolvent, subject to applicable insolvency law. The Vendor pays KASI's reasonable extra cost of buying the Goods or Services elsewhere.
- 7.5 **Force majeure.** Neither party is liable for delay caused by events beyond its reasonable control, provided it gives prompt written notice. If a delay lasts more than 30 days, KASI may cancel the affected items without liability.

8. Indemnity, Insurance and Liability

- 8.1 **Indemnity.** The Vendor indemnifies KASI, its affiliates and their employees against claims, losses and costs, including reasonable legal fees, that arise from: the Vendor's breach of the PO; defective Goods or Services; injury, death or property damage caused by the Vendor or its sub-suppliers; and any claim that the Goods or

Services infringe a third party's intellectual property. This does not apply to the extent a loss is caused by KASI's own negligence.

- 8.2 **Insurance.** The Vendor holds commercial general liability insurance, including products and completed operations, of at least \$2,000,000 per occurrence, plus any other cover required by law. The policy names KASI as an additional insured and gives KASI 30 days' notice of cancellation. Vendors working on KASI or customer sites also hold automobile liability insurance and provide a current Alberta WCB clearance letter before starting work. The Vendor provides certificates on request.
- 8.3 **KASI's liability.** KASI's total liability under a PO is limited to the PO price. KASI is not liable for the Vendor's lost profits or indirect or consequential losses.

9. Compliance, Safety and Site Work

- 9.1 **Laws.** The Vendor complies with all applicable laws, including Alberta OHS legislation, TDG, WHMIS 2015, environmental law, and Canadian export, import and sanctions controls.
- 9.2 **Electrical and pressure equipment.** Electrical equipment carries the mark of a certification body accredited by the Standards Council of Canada, such as CSA, cUL or cETL, or an approved special-inspection label. Pressure equipment and fittings carry an Alberta CRN where the Pressure Equipment Safety Regulation requires one.
- 9.3 **Work on KASI or customer sites.** Vendor personnel follow KASI's HSE Management System and site rules. They complete site orientation and hazard assessments, such as an FLHA, before starting work, and report every incident and near miss to KASI straight away. Customer site rules also apply where they are stricter.
- 9.4 **Ethics.** The Vendor does not offer gifts, payments or benefits to KASI employees to win or keep business.
- 9.5 **Privacy.** The Vendor handles any personal information it receives under a PO in line with Alberta's Personal Information Protection Act and PIPEDA, and uses it only to fill the PO.
- 9.6 **Cybersecurity.** Software, firmware and connected devices supplied to KASI are free of malicious code. The Vendor tells KASI within 72 hours of any security incident affecting KASI data or equipment.

10. Confidentiality and Intellectual Property

- 10.1 **Confidentiality.** Drawings, specifications, pricing and customer information that KASI provides are confidential. The Vendor uses them only to fill the PO and returns or destroys them on request. The Vendor does not name KASI or its customers in marketing without KASI's written consent.
- 10.2 **KASI property.** Tooling, patterns, materials and equipment that KASI supplies or pays for belong to KASI. The Vendor keeps them insured, identifies them as KASI property, and returns them on request.
- 10.3 **Custom work.** Designs, drawings and data created specifically for KASI and paid for under a PO belong to KASI. The Vendor assigns those rights to KASI and obtains waivers of moral rights from the people who created them.

11. General

- 11.1 **Governing law.** These terms and every PO are governed by the laws of Alberta and the federal laws of Canada that apply there. The courts of Alberta have jurisdiction. The UN Convention on Contracts for the International Sale of Goods and the International Sale of Goods Act (Alberta) do not apply.
- 11.2 **Assignment and subcontracting.** The Vendor may not assign a PO or subcontract the whole of the work without KASI's written consent.
- 11.3 **Independent contractor.** The Vendor acts as an independent contractor, not as KASI's agent or employee.



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- 11.4 **Waiver.** If KASI does not enforce a term, it has not given up the right to enforce it later.
- 11.5 **Severability.** If any term is found unenforceable, the rest of the terms still apply.
- 11.6 **Survival.** Payment and set-off, warranty, indemnity, insurance, liability limits, confidentiality, intellectual property, records and audit, and governing-law terms continue to apply after the PO is completed or cancelled.
- 11.7 **Electronic documents.** POs, acknowledgments and signatures sent by email or through KASI's business system are as binding as originals.