GENERAL TERMS AND CONDITIONS OF LEASE

1. START OF LEASE, DUTY TO REPORT DEFECTS, ACCEPTANCE OF THE LEASED EQUIPMENT

The non-terminable basic term of lease will begin on the first day of the calendar quarter following delivery of the leased equipment (LE), or the first day of the month if monthly payments have been agreed upon. Should the LE be delivered earlier, 1/30 of the monthly lease payments is to be paid every day of the interim period. Lessee unconditionally agrees to punctually pay Lessor the lease payments for the duration of the lease contract and perform its obligations hereunder. Lessee will inspect the LE and give Lessor notice of defects. Lessee will confirm to Lessor the delivery of the LE immediately once he/she has ascertained that the delivery is complete and the LE is in a functional and contractually acceptable condition. If, within 24 hours after delivery of the LE, Lessee has not sent a proof of delivery to Lessor, Lessee shall be deemed to have accepted the LE in a functional and contractually acceptable condition unless the Lessee earlier notifies the Lessor in writing and furnishes evidence required by the Lessor that the LE is damaged or defective.

2. EXTENSION, END OF LEASE, RETURN OF THE LE

The lease contract will be automatically renewed for a period of six months if it is not terminated in writing by one of the parties at least three months before expiry of the basic term of lease or of the renewal period. Upon termination of the lease contract, Lessee will return the LE to Lessor in a functional and contractually acceptable condition at the end of the basic term of lease or the renewal period. Lessee agrees to pay on demand by Lessor 1/30 of the monthly lease payments for every day after the end of the lease contract until Lessor receives the returned LE. Any data belonging to Lessee must be deleted in full. The LE will be returned at the expense and risk of Lessee to Lessor's business address provided below. If the LE is not returned on time, Lessor is entitled, though not obliged, to arrange for the LE to be collected at the expense of Lessee.

If Lessee dies, then his/her heir is not entitled to terminate the lease contract for cause.

3. DELIVERY AND RIGHTS OF LESSEE

Lessee will bear the cost of delivery to Lessee. Lessor will assign to Lessee any rights concerning contractual delivery, with the exception of the right to reimbursement of the purchase price. Lessee is responsible for exercising these rights.

4. RISK OF ACCIDENTAL LOSS, DESTRUCTION AND DETERIORATION AND DOCUMENTATION

Lessee will bear the risk of accidental loss, destruction and deterioration. As the owner of the LE, Lessor has taken out a Framework Property Insurance with an insurer (see General Insurance Conditions of the Framework Property Insurance, available from Lessor or at www.grenke.ca/en/terms-and-conditions). Lessee will bear the cost of covering the LE under this insurance. Lessee is entitled at all times, and also obliged at the request of Lessor, to take out his/her own property insurance with an insurer of his/her choice at his/her own expense and will provide Lessor with evidence of such insurance if requested by Lessor.

5. INSURANCE AND INSURANCE BENEFITS

Lessee hereby assigns any claims arising from the insurance policy and against any possible damaging party to Lessor. At the request of Lessor, Lessee will be obliged to assert such claims in the event of damage on behalf of Lessor at Lessee's expense and demand payment to Lessor. Lessee will bear and pay any excess provided for in the insurance policy. If repair costs were to exceed half of the LE's current market value, Lessee may terminate the lease contract in writing with immediate effect. Should Lessee terminate the lease contract on these grounds, Lessee is to place Lessor in the same position in which it would have found itself at the agreed end of the lease contract if the damage event had not occurred. Compensation payments must be used to repair or replace the LE or to compensate the damage.

6. USAGE, COSTS AND REPAIRS AND INDEMNITY

Lessee will comply with supplier and manufacturer recommendations as well as regulatory requirements concerning the operation of the LE and will pay any fees relating to the use or possession of the LE and any other charges. Lessee will maintain the LE in a functional and contractually acceptable condition (including procurement of the recommended updates) at his/her expense until it is returned to Lessor. Lessee will indemnify and hold harmless Lessor against claims of any kind filed by third parties due to the set-up, operation or property rights concerning the LE. The LE may not be handed over to the Supplier or any third party except for the purposes of repair work and only for as long as necessary.

7. LIABILITY, RIGHTS AND OBLIGATIONS OF LESSOR IN THE EVENT OF DEFECTS, WARRANTIES

Lessor is not liable for any defects of the LE and assigns, at the time the lease contract is concluded, all rights concerning any defects to which it is entitled based on the purchase agreement for the LE to Lessee, as well as rights arising from warranties. If defects emerge or a warranty case arises, Lessee must assert these rights immediately against the manufacturer or Supplier. In the case of price reduction or cancellation of the contract or if Lessee has taken legal action against the Supplier, Lessee will demand full payment to Lessor. Lessee is only entitled to refuse to make due lease payments if supplementary performance fails and the Supplier verifiably accepts Lessee's request for a price reduction, cancellation of the contract or if Lessee has taken legal action against the Supplier. The same will apply with regard to a guarantor. Rights arising from product defects will expire by limitation after a period of one year with such rights excluded for used LE.

8. LIABILITY OF LESSOR

Except in the case of fraudulent concealment of a defect or in the case of gross negligence on the part of Lessor, Lessor's liability for any consequential, indirect, incidental, special, exemplary, punitive or aggravated damages, lost profits or revenues, or dimunition in value, relating to this lease contract, whether arising out of breach of contract, tort (including negligence) or otherwise shall be limited to 25 % of the net acquisition value of the LE.

9. TRANSFER OF RIGHTS AND OBLIGATIONS, REFINANCING AND SUB-LEASE

Lessee may only transfer or assign its rights and obligations arising from the lease contract with the prior written consent of Lessor. Lessee is not entitled to sublease the LE without the prior written consent of Lessor. Lessee will agree to Lessor's transfer or assignment of Lessor's rights and obligations arising from the lease contract to any financing provider, provided that the transfer or assignment will not entail any legal or economic disadvantages for Lessee. In order to safeguard such financing provider in the case of insolvency of Lessor, the following is agreed: if such financing provider is entitled to utilize the LE by means of leasing, Lessee is obliged to conclude the lease contract anew or to continue the lease contract with such financing provider or a third party assigned by the latter. Lessee should not find themselves in a worse position, either legally or economically, than the position which they would have been in had there been no insolvency proceedings.

10. INVOICES AND PAYMENT METHODS

1. General. Lessor provides single invoices for the amount due according to the lease contract. When Lessor places these invoices in the customer portal, where they are available for download, and is requested to mail a hardcopy, Lessee will pay $15.00 plus applicable taxes for each invoice so mailed. Lessee authorizes Lessor to take payment of amounts due by direct debit in accordance with the pre-authorized payment authority in the lease contract. **Lessee agrees that Lessor may waive pre-notification and confirmations to Lessee for fixed amount pre-authorized payment debits and pre-notification to Lessee of changes to such fixed amounts or reduce the standard period of pre-notification from 10 days to 5 days.** Lessor will notify Lessee of any change in the amount of the pre-authorized payment debits 5 days prior to any such change. This pre-authorized payment authority is to remain in effect until Lessor has received written notification from Lessee of any change or termination. This notification must be received by Lessor at least 30 days before the next pre-authorized payment is scheduled at the address of Lessor provided in the lease contract. Lessee may obtain a sample cancellation form, or more information on Lessee's right to cancel a pre-authorized payment plan at his/her financial institution or by visiting www.payments.ca. Lessee has certain recourse rights if any pre-authorized payment debit does not comply with the lease contract. For example, Lessee has the right to receive reimbursement for any pre-authorized payment debit that is not authorized or is not consistent with the lease contract. To obtain a form for a reimbursement claim, or for more information on Lessee's recourse rights, Lessee may contact his/her financial institution or visit www.payments.ca. In the case of any other payment method, an additional charge of $15.00 plus applicable taxes will be due by Lessee to Lessor per payment.
2. Validation by Processing Financial Institution. Lessee acknowledges its financial institution is not required to verify that any purpose of payment for which a pre-authorized payment authority was issued has been fulfilled by Lessor or that a pre-authorized payment debit has been issued in accordance with the particulars of the pre-authorized payment authority including, but not limited to, the amount, as a condition to honouring a pre-authorized payment debit issued by Lessor on the account.
3. Third Party Payment Service Provider. Lessee confirms that Lessor that is administering pre-authorized payment debits under this pre-authorized payment authority is not a third party payment service provider.
4. Lessee Rights of Dispute. Lessee may dispute a pre-authorized payment debit in accordance with Payments Canada Rules under the following:
   a) the pre-authorized payment debit was not drawn in accordance with the lease contract, or
   b) this pre-authorized payment authority was revoked. In order to be reimbursed, Lessee acknowledges that a declaration to the effect that either (a) or (b) took place, must be completed and presented to its financial institution branch up to and including 90 (for personal pre-authorized payment authority) or 10 (for business pre-authorized payment authority) calendar days after the date on which the disputed pre-authorized payment debit was posted to its account. Lessee acknowledges that any claim made after 90 (for personal pre-authorized payment authority) or 10 (for business pre-authorized payment authority) calendar days or for any reason other than the above, is a matter to be resolved solely between Lessor and Lessee.
5. Contract for Goods or Services. Revocation of this pre-authorized payment authority does not terminate any contract for goods or services that exists between Lessor and Lessee. Lessee's pre-authorized payment authority applies only to the method of payment and does not otherwise have any bearing on the contracts for goods and services exchanged.

11. TAXES

If the sales tax or other similar applicable tax changes, the amount of the lease payments under the lease contract shall be adjusted accordingly by Lessor and paid by Lessee.

12. AGREEMENTS WITH THIRD PARTIES

Any amendments or supplements to the lease contract may only be agreed directly between Lessor and Lessee. Agreements concluded between Lessee and Supplier do not give rise to any rights and obligations on the part of Lessor.

13. DATA PROTECTION

The data controller responsible for data protection is GL Leasing British Columbia Inc..

14. TITLE

Title to and ownership of the LE shall at all times, subject to a purchase money security interest granted under this lease contract, are acknowledged by Lessee to remain vested in Lessor and not at any time pass to Lessee.

As collateral security for the lease payments and performance of the obligations of the Lessee hereunder, the Lessee hereby grants Lessor a security interest in and to all of the right, title, and interest of the Lessee in, to and under the LE wherever located, and whether now existing or hereafter arising or acquired from time to time, and in all accessions thereto and replacements or modifications thereof, as well as all proceeds (including insurance proceeds) of the foregoing. The security interest granted under this provision constitutes a purchase money security interest under the British Columbia Personal Property Security Act.

15. DEFAULT

If Lessee is in arrears of its lease payments and other amounts owed to Lessor, amounts in arrears will be subject to interest at the rate per annum equal to 8 percentage points above the prime rate of interest charged from time to time by HSBC Bank Canada (or any other Canadian bank selected by Lessor) for loans of Canadian dollars to its customers in Canada.

16. TERMINATION

Lessor is entitled to terminate the lease contract without notice, if Lessee is in arrears with two quarterly lease payments in the case of quarterly lease payments or two monthly lease payments in the case of monthly lease payments, whether consecutive or not.

Lessor also has the right of termination without notice and the assertion of claims for damages if Lessee gave false information at the conclusion of the lease contract or failed to disclose material facts to Lessor or he/she becomes insolvent or bankrupt or makes a proposal to his/her creditors or ceases to carry on business or there occurs, in the opinion of Lessor, a material adverse change affecting Lessee or its business or because Lessee violates its material contractual obligations to Lessor after notice from Lessor or if he/she does not

remedy the consequences of such violations after the setting of a deadline in a notice from Lessor or Lessee fails to conclude or give evidence of property insurance over the LE upon request of Lessor before the deadline set by Lessor or he/she interferes with the enforcement of Lessor's rights or there is a deterioration of the financial circumstances of Lessee or if insolvency or bankruptcy proceedings have been filed with respect to Lessee.
In the event Lessor makes use of its right to terminate with or without notice, all amounts outstanding on the remaining basic term of lease (or renewal period, if applicable) inclusive of all applicable sales tax and accrued interest, and all other amounts owed by Lessee to Lessor, shall be immediately due and payable without presentment, demand, protest or other notice of any kind to Lessee, all of which are hereby expressly waived by Lessee.

Lessee may not terminate the lease contract for any reason (including by reason of the interruption or disruption of any service to the LE or Lessee by a service provider or the bankruptcy or insolvency of such service provider).

17. REQUIRED NOTIFICATIONS BY LESSEE

Lessee shall notify Lessor of a change of his/her head office or place of business and of all imminent or already happened adverse influences on the LE.

18. COSTS AND EXPENSES

Lessee agrees to pay on demand by Lessor all of the costs and expenses of Lessor in connection with the enforcement and preservation of Lessor's rights under and in connection with the lease contract including without limitation Lessor's legal fees and disbursements on a solicitor and own client basis.

19. GENERAL

The lease contract and this General Terms and Conditions of Lease, including the General Insurance Conditions of the Framework Property Insurance (available from Lessor or online at www.grenke.ca/en/terms-and-conditionst) constitute the entire lease contract between Lessor and Lessee relating to the lease of the LE and supersedes all prior agreements or understandings, oral or written, with respect thereto.

The lease contract may be executed in counterparts, each counterpart is deemed an original, but all counterparts together are deemed to be one and the same agreement. A signed copy of the lease contract delivered by fax, e-mail, or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of the lease contract. The parties agree that this document be written in the English language. Les parties aux présentes conviennent que ce document soit rédigés en anglais.

The lease contract shall be governed by the laws of the Province of British Columbia and each party submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia. Lessee agrees that a judgement obtained by Lessor against Lessee shall be conclusive and may be enforced by Lessor against Lessee in other jurisdictions by suit on the judgement or in any other manner provided by law. Nothing in the lease contract shall affect any right that Lessor may otherwise have to bring any action or proceeding relating to the lease contract against Lessee in the courts of any jurisdiction. Lessor shall have all the rights and remedies of a secured creditor pursuant to all applicable laws.

GENERAL INSURANCE CONDITIONS

OF THE FRAMEWORK PROPERTY INSURANCE OF GRENKE GROUP

A. GENERAL SECTION

1. As the owner of the equipment, GRENKE has concluded a Framework Property Insurance with an approved insurance company that is duly registered and licensed. If the equipment given to the client for its use is to be covered under this Framework Property Insurance, then the following conditions apply as per the contract between GRENKE and the client.

2. Insurance benefits in general are intended to cover the costs of restoring an equipment, respectively providing an equivalent replacement for the equipment in the event of damage, based on the equipment's value at the time when the loss occurred. Cover is not therefore provided on a "new for old basis".

3. The insurance generally grants subsidiary insurance protection, i.e. it grants protection only when insurance coverage is not provided by any other source.

4. The excess payable by the client shall total $200.00 per loss event.

B. INSURED LOSS, DAMAGE AND RISKS, EXCLUSION OF LIABILITY

1. The insurer will pay compensation when the insured equipment is damaged or destroyed due to unforeseen events and when the insured equipment is lost due to theft, burglary or looting.

Damage is unforeseen if neither GRENKE as the policy holder nor its representatives foresaw the same in due time or would have been able to foresee the same with the specialist knowledge necessary for the work carried out in the business. In the event that the damage is caused by gross negligence, the insurer's liability is limited to an amount proportionate to the extent of the fault of GRENKE.

Compensation will be paid when equipment is damaged or destroyed (material damage) in particular as a result of the following:

a) handling or operating errors, lack of skill, negligence;
b) excess voltage, electromagnetic induction, short circuiting;
c) fire, lightning, explosion or implosion (including damage caused by water for fire-fighting, demolition, clean-up work or loss of property in the course of these events);
d) water, humidity, flooding;
e) wilful intentional damage by a third party, sabotage, vandalism;
f) force majeure;
g) defects of design, material and/or workmanship.

2. For electronic components (units) that are part of the insured equipment, compensation will be paid only if it is proven that an insured risk has externally affected the replacement unit (in case of repair this is usually the unit to be replaced) or has affected the insured equipment as a whole. If proof cannot be provided, it is sufficient that the damage is, in all probability, attributable to an external insured risk. Consequential damage on further replacement units will be covered.

3. Unless otherwise agreed, the insurer will pay compensation for tubes, (e.g. picture tubes, high-frequency tubes, laser tubes) and photo conductors (e.g. selenium cylinders) only where the damage was caused by one of the following:

a) fire, lightning, explosion provided that these risks can be covered by fire insurance;
b) burglary, robbery, vandalism and only to the extent of coverage by a burglary and robbery insurance;
c) burst pipes provided that this risk can be covered by water damage insurance.

Clauses 4 and 5 remain unaffected.

4. Irrespective of possible other contributing causes, the insurer will not pay compensation for damage caused:

a) by the client's wilful intent;
b) by acts of war of any type or national unrest;
c) by nuclear energy;
d) as a result of normal or premature operational wear and tear or ageing; however, compensation will be paid for consequential loss in further replacement units. Clause 2 remains unaffected.

5. To the extent that one of the causes in clause 4.b) to d) cannot be proven, it is sufficient that the damage is, in all probability, the result of one of these causes.

C. INSURED EQUIPMENT, UNINSURED EQUIPMENT

1. Insurance coverage exists for the following equipment designated for use by the client:

a) facilities and devices of information technology, communication technology, medical technology;
b) other electro technical or electronic facilities and devices;
c) machinery and other technical facilities and devices of domestic engineering, bulk material handling technology and transport technology;
d) office furniture and equipment;
e) software and related accessories.

2. Unless agreed otherwise, insurance coverage includes data (machine readable information) only if they are necessary for the basic functions of the insured equipment (system program data from operating systems or other equivalent data).

3. Due to the high risk of theft, equipment in motor vehicles is only insured if it is permanently installed in the vehicle interior or has been inconspicuously placed in the closed and if possible locked glove compartment or in the trunk of the vehicle so that it is not visible and if the vehicle has been properly locked before leaving it.

4. The insurer's Framework Property Insurance does not cover:

a) auxiliary and operating supplies, consumable supplies and work equipment, e.g. developing liquids, reagents, toners, cooling and extinguishing agents, ink ribbons, films, picture and sound carriers, foil combinations, prepared paper, type face carriers, ratchet discs, pipettes, replaceable cuvettes, reagent tubes;
b) tools of any sort, e.g. drills, milling cutters;
c) other parts that commonly have to be replaced during the life cycle of the insured equipment, e.g. fuses, light sources, batteries (both rechargeable and non-rechargeable), accumulators, filter compounds and cartridges;
d) maintenance (expenditure that is part of regular maintenance is not covered by the insurer's Framework Property Insurance. In particular, this expenditure includes the exchange of structural elements, assemblies and components, provided the damage was not caused by an insured event that externally affected the insured equipment and which can be verified.)

Maintenance within the meaning of this clause are the following services:

// safety check;
// preventive maintenance;
// removal of defects due to ageing;
// repair of damage that is the result of normal operation and has not been caused by an external event.

D. INSURANCE LOCATION

Unless agreed otherwise, for equipment which is intended to be used in a fixed setting, the insured premises is the place stipulated in the contract between GRENKE and the client, otherwise the insurance is considered to be worldwide.

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E. THE EVENT OF DAMAGE, OBLIGATIONS

1. In the event of damage the **client is obliged** to immediately notify GRENKE as soon as the client becomes aware of the damage. For the purpose of notification of damage, the damage claim form is to be used which can be requested from GRENKE at any time.

2. The **notification of loss** must include the following information:

a) name and address of the client
b) contract number
c) location and time of damage
d) detailed description of the events leading to the damage
e) number of the damaged items of equipment
f) detailed description of each damaged equipment
g) type of damage
h) for partial damage: the cost estimate for the repair of the defect object;
i) for total loss: the designation “total loss”.

3. Criminal complaint

In the event of damage intentionally caused by a third-party (e.g. theft) and damage caused by fire, the client must immediately report the offence to the police and inform GRENKE about the investigating authority and file number.

4. Storage

The damaged equipment must be stored and the damage scene must remain unaltered until the insurer or GRENKE inspects the damage or expressly foregoes the inspection or has settled the damage.

5. Delayed notification of loss

If the client does not report the damage immediately after becoming aware of it in the form required in clause E.1 and 2 and if GRENKE does otherwise not receive notification of the insured event, no insurance payment will be made by the insurer under the Framework Property Insurance.

F. PAYMENT OF INSURANCE COSTS, TERMINATION BY GRENKE, EXEMPTION FROM LIABILITY

1. The client’s obligation for paying the costs for the inclusion of the equipment in the insurer’s Framework Property Insurance and the payment due date are determined in accordance with the applicable contract between GRENKE and the client. The client is entitled to arrange insurance coverage with an insurer of in the applicable contract .

2. If the first insurance costs have not yet been paid by the client at the time when an insured event occurs, the client will not be entitled to claim any insurance coverage.

3. If the insurance costs are not paid on time, GRENKE may set a payment deadline of two weeks. After this period has expired, GRENKE may terminate the inclusion of the equipment in its Framework Property Insurance without notice, provided a termination notice was given at the time when the deadline was communicated to the client.

If an insured event occurs after the contract between GRENKE and the client is terminated by GRENKE, the client is not entitled to claim insurance coverage.

4. Irrespective of the above-mentioned provisions, GRENKE is at all times entitled to request that the client arranges for its own insurance coverage in accordance with the contract between GRENKE and the client.

G. FINAL PROVISIONS

1. According to the contract between GRENKE and the client, in the event that the client who obtains its own insurance cover for the equipment, the client is obliged to provide GRENKE with a confirmation of such insurance coverage, showing that such insurance cover is in favor of GRENKE. As long as the client has not yet provided this evidence of insurance, GRENKE is entitled, but not obliged, to include the equipment in the insurer’s Framework Property Insurance.

2. No insurance certificate for individual clients is issued with regard to the equipment that is included in the insurer’s Framework Property Insurance.

3. The occurrence of an insurance event does not release the client from obligations that arise from the contract between GRENKE and the client.

4. No verbal ancillary agreements have been made.