

# Labs-Mart Inc.

## Terms and Conditions of Service

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**THESE TERMS AND CONDITIONS SHALL GOVERN ANY QUOTES, FEES, OR SERVICES RENDERED BY LABS-MART INC. (HEREINAFTER REFERRED TO AS "COMPANY").**

**ACCEPTANCE OF A QUOTE SHALL BE DEEMED TO CONFIRM A CLIENT'S ACCEPTANCE OF THESE TERMS AND CONDITIONS.**

**WHERE A MASTER SERVICES AGREEMENT ("MSA") OR CONTRACT FOR SERVICES ("CONTRACT") HAS BEEN ENTERED INTO BETWEEN A CLIENT AND COMPANY, THESE TERMS AND CONDITIONS SHALL SUPPLEMENT THE MSA OR CONTRACT.**

**IN THE EVENT OF A CONFLICT BETWEEN A MSA OR CONTRACT AND THE TERMS AND CONDITIONS HEREIN, THE TERMS AND CONDITIONS OF THE MSA OR CONTRACT SHALL GOVERN.**

### **ARTICLE 1. COMPANY RESPONSIBILITIES**

- 1.1 COMPANY shall perform testing services consistent with applicable standard practices, laws, and regulations.
- 1.2 COMPANY may perform services for persons or entities (private, public or governmental) who are issuing instructions to COMPANY ("CLIENT"). CLIENT agrees to comply with the Terms and Conditions set out herein.
- 1.3 COMPANY shall prepare reports of services performed indicating results of testing. COMPANY reserves the right to utilize external (non-COMPANY) laboratory resources to produce the results of testing as required so long as notice of such use has been provided to CLIENT. Such results and reports thereon will be based solely upon samples as provided by CLIENT. Such results and reports are intended for use by persons having professional skill and training in the interpretation of such results and reports. COMPANY assumes no responsibility, and CLIENT hereby waives all claims against COMPANY, for interpretation of such results and reports.
- 1.4 COMPANY and its employees or agents, shall not use (except in the course of the services provided herein), in any form or manner, and shall not disclose, in whole or in part, to any other party, CLIENT'S Confidential Information. For purposes of these Terms and Conditions, "Confidential Information" shall include but is not limited to, financial data, fees, quotes, forecasts, employee, supplier, and customer information, business or marketing plans, trade secrets or other intellectual property, contracts and documents of internal nature or with third parties, and policies and procedures of the business.

### **ARTICLE 2. CLIENT RESPONSIBILITIES**

- 2.1 CLIENT shall designate in writing a person(s) or entity to act as CLIENT'S authorized representative ("Designated Representative(s)") with respect to COMPANY'S services to be performed. Such person(s) or entity shall have complete authority to transmit instructions, receive information and data, and to order, at CLIENT'S expense, additional services.
- 2.2 CLIENT hereby represents and warrants that it has the full right and authority to enter into an agreement, whether written or verbal, with COMPANY.

- 2.3 CLIENT represents and warrants to COMPANY that it has obtained, and will maintain and comply with, all applicable permits and licenses required from any third party or governmental body or other regulatory organization in respect of its operations (the "License(s)"). CLIENT further covenants to, upon request by COMPANY, provide copies of its then-current License(s) to COMPANY.
- 2.4 CLIENT shall not use, in any form or manner, and shall not disclose, in whole or in part, to any other party, COMPANY'S Confidential Information.
- 2.5 CLIENT agrees to provide information reasonably requested by COMPANY, including but not limited to data sheets of CLIENT, as are necessary for COMPANY to complete its report.

### **ARTICLE 3. REPORTS**

- 3.1 COMPANY makes no warranties on CLIENT'S overall product(s). All COMPANY reports on the results of product testing relate only to the sample(s) received and tested by COMPANY at the time of testing. COMPANY warrants that all sample(s) were tested in accordance with its Standard Test Procedures and all stated regulatory requirements.
- 3.2 Any report or results furnished by COMPANY is furnished solely for the benefit of CLIENT and any of its Designated Representative(s) and shall be the confidential property of CLIENT. Reports shall not be distributed without the prior written consent of COMPANY. CLIENT shall not at any time misrepresent, amend, or alter the content of any report or other information received from or relating to COMPANY or its work on behalf of CLIENT.
- 3.3 Unless otherwise required by law, COMPANY shall provide its report only to the Designated Representative(s).
- 3.4 Any action taken by CLIENT based on results and reports designated by COMPANY as "**preliminary**" or "**verbal**" or "**partial**" are at CLIENT'S own risk. However, any decision to recall or withdraw product based on test results is CLIENT'S sole responsibility and CLIENT shall bear all costs and liability related to any such decision.
- 3.5 CLIENT shall not, without prior written consent of COMPANY, use COMPANY name, trademark, logo or any results or reports prepared by COMPANY in connection with any sale, marketing or advertising. CLIENT shall not, under any circumstances, use COMPANY'S name, trademark, logo or any results or report prepared by COMPANY in any manner which may cause harm to COMPANY'S reputation and/or business.
- 3.6 CLIENTS that request a re-test agree to pay additional fee if COMPANY confirms original findings.

### **ARTICLE 4. RETENTION**

- 4.1 After results have been reported to CLIENT, products will be retained and disposed of by COMPANY as detailed in COMPANY'S Standard Operating Procedure for retention and destruction. COMPANY shall not be responsible for providing a refund or compensation for unused products of CLIENT.
- 4.2 COMPANY shall retain all pertinent records as required by Federal regulations following submission of a report relating to the services performed, during which period the records will be made available to CLIENT upon written request, for which the request may result in additional costs.

#### **ARTICLE 5. PAYMENT**

CLIENT shall pay COMPANY for services and expenses in accordance with COMPANY'S invoices which shall be paid upon receipt or within thirty (30) days of the date of invoice upon credit approval, unless otherwise communicated to CLIENT in writing. COMPANY reserves the right, prior to performing any services, to require from CLIENT satisfactory security for performance of CLIENT'S obligations. If CLIENT fails to furnish satisfactory credit information, security, or if its account is in arrears, COMPANY may, at its option, defer further performance or terminate its relationship with CLIENT.

#### **ARTICLE 6. LIMITATION OF LIABILITY & INDEMNIFICATION**

- 6.1 All terms, conditions and warranties (including any warranty as to merchantable quality or fitness for a particular purpose) implied by common law or statute ("implied warranties") as to the manner, quality and timing of the testing service are excluded unless the exclusion of any such implied warranties would contravene applicable law or cause any part of these terms or conditions or any other agreements to be void. The warranties, obligations and liabilities of COMPANY hereunder are exclusive.
- 6.2 COMPANY'S liability to CLIENT for breach of any of the terms or conditions or any agreement of any implied warranties, or for any negligence or other wrongdoing in the performance of testing services, is limited to the lesser of a refund of the fee paid by CLIENT in respect of that part of the testing service, or Twenty-Five Thousand (\$25,000.00) Canadian Dollars.
- 6.3 Notwithstanding section 6.2 hereof, COMPANY shall have no liability for any indirect, incidental, consequential, or special damages including without limitation loss of profits, loss of business, loss of opportunity, loss of data, loss of information system, loss of goodwill, or cost of product recall.
- 6.4 CLIENT shall hold harmless and indemnify COMPANY and its directors, officers, employees, agents and subcontractors against all claims (actual or threatened) by any third party for loss, liability, damage or expense of whatsoever nature including all legal expenses and related costs, howsoever arising, relating to any breach of CLIENT'S representations and warranties contained herein, breach of any term of these terms and conditions, and the use, application, or unauthorized disclosure of any reports, results, or other documentation provided by COMPANY.

#### **ARTICLE 7. DISPUTE RESOLUTION**

Any disputes between COMPANY and CLIENT, which cannot be resolved after good faith discussions have been attempted, shall be finally settled in accordance with and *Arbitration Act, 1991, S.O., c. 17* or any statutory modification thereof for the time being in force, and the decision of the Arbitrator shall be final and binding upon the parties. All costs of such arbitration(s) shall be at the discretion of the Arbitrator. The arbitration shall take place in Toronto, Ontario and be conducted in the English language.

#### **ARTICLE 8. GENERAL CONDITIONS**

- 8.1 COMPANY may terminate its relationship with CLIENT for any material breach of the Terms and Conditions. CLIENT may terminate its relationship with COMPANY for any reason upon written notice of termination to COMPANY. If services

are terminated by either party for any reason, CLIENT shall pay COMPANY in full for all services, completed in part or in whole, performed through the termination date, and any reportable results, completed in whole, shall be provided to CLIENT upon payment of services rendered.

- 8.2 CLIENT may not delegate, assign or transfer obligations or interest in the services to be performed by COMPANY without the prior written consent of COMPANY. COMPANY may assign or transfer some or all of its rights at any time to an affiliate or third party provided such affiliate or third party assumes COMPANY'S obligations under any agreement with CLIENT.
- 8.3 Except for payment obligations, if the performance of COMPANY'S obligations to CLIENT are interfered with, in whole or in part, by circumstances beyond the reasonable control of either party ("event of force majeure") including, without limitation: fire, explosion, power failure, acts of God, war, revolution, civil commotion, acts of public enemies, plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine or other employee restrictions, law, order, regulation, ordinance or requirement of any government or its representative or legal body having jurisdiction, or labour unrest such as strikes, slowdowns, picketing, boycotts, or cybersecurity incident, then COMPANY shall be excused from such performance on a day by day basis to the extent that COMPANY'S obligations relate to the performance so interfered with; provided that COMPANY shall use commercially reasonable efforts to expeditiously remove such causes of non-performance. In respect of the foregoing related to cybersecurity incidents, COMPANY shall not be responsible for any loss, destruction, or damage to data, reports, or results, or have any liability to CLIENT due to lack of access to data, reports or results, based on a cybersecurity incident affecting COMPANY'S operations, irrespective of whether the cause of such cybersecurity incident was internal or external and whether or not it was caused by any type of cyber-attack, network failures, human error, or any shortcomings in COMPANY'S cybersecurity systems or program, unless such shortcomings were due to the gross negligence of COMPANY.
- 8.4 These Terms and Conditions (and the terms of any quote or fees to which the Terms and Conditions may be attached), represent the entire agreement between CLIENT and COMPANY and supersedes all negotiations, representations or agreements, written or oral. Terms and Conditions included in CLIENT'S purchase order or any other document shall not be applicable. The obligations set forth in Sections 1.3, 2.3, 3.1, 3.2, 3.3, 3.4, 3.5, 4.1, 4.2, 8.1 and Articles 5, 6 and 7 shall survive the termination of any services rendered.
- 8.5 In the event that any of the provisions of these Terms and Conditions are, or become, null or void, such provisions shall be deemed to have been deleted and the remaining provisions hereof shall remain valid and enforceable.
- 8.6 The validity, interpretation and performance of these Terms and Conditions and any other agreements between CLIENT and COMPANY shall be governed by the laws of the Province of Ontario and Federal laws of Canada, as applicable.
- 8.7 If for any reason an agreement is not signed by CLIENT and COMPANY, any conduct by CLIENT which recognizes the existence of a contract pertaining to the subject matter hereof, including but not limited to CLIENT providing samples to COMPANY and/or performance of any service by COMPANY for the benefit of CLIENT shall constitute acceptance by

CLIENT of an agreements between COMPANY and CLIENT and these Terms and Conditions.

#### **ARTICLE 9. CHANGES TO OUR TERMS AND CONDITIONS**

COMPANY reserves the right to change these Terms and Conditions at any time by posting the said changes on COMPANY'S website. These changes will become effective 30 days after the day the notice is posted on COMPANY'S website. To avoid doubt, no unilateral amendment will retroactively change agreed dispute-resolution provisions of these Terms and Conditions, if any, including, for example, arbitration provisions for then-pending disputes unless the parties expressly agree otherwise. CLIENT'S continued use of COMPANY'S services or products after any change to these Terms and Conditions and COMPANY notifying CLIENT will constitute CLIENT'S acceptance of such change. If CLIENT does not agree with the changes to these Terms and Conditions, CLIENT may terminate services pursuant to Section 8.1 hereof.

#### **ARTICLE 10. SPECIAL PROVISIONS RELATED TO CANNABIS TESTING**

- 10.1** Prior to agreeing to provide services to a CLIENT, COMPANY shall be entitled to require CLIENT to provide such documentation as COMPANY considers necessary to verify that CLIENT possesses all necessary licence(s), permits, or documentation pursuant to the *Cannabis Act* (Canada) and its regulations (collectively, the "Act"), and all other applicable law, so as to satisfy COMPANY, in COMPANY'S sole and absolute discretion that the provision of such services shall be in keeping with the Act and all other applicable law.
- 10.2** CLIENT further agrees that it shall not release, nor authorize the release of, information in connection with any certificates of analysis for cannabis generated or provided by COMPANY.
- 10.3** To the extent that CLIENT provides any samples containing Cannabis to COMPANY, CLIENT hereby represents and warrants to COMPANY that it has obtained, and will maintain and comply with, all applicable permits and licenses required from any third party or governmental body or other regulatory organization in connection with its possession and distribution of Cannabis (the "Licence(s)"). CLIENT further covenants to, upon request by COMPANY, provide copies of its then-current Licence(s) to COMPANY.
- 10.4** Notwithstanding Section 4.1. hereof, following production of all reports, in compliance with the Act, any samples containing Cannabis, that are not used during the testing process will be destroyed within ninety (90) days of receipt of same by COMPANY. Additionally, any samples containing Cannabis for which testing has not been initiated within 120 days of their receipt by COMPANY will be destroyed in accordance with COMPANY'S Standard Operating Procedures and the Act; it being further provided that, to the extent of any inconsistency between the Standard Operating Procedures and the Act, the terms of the Act shall prevail. Under no circumstances shall samples containing Cannabis be returned to CLIENT. COMPANY shall not be responsible for providing a refund or compensation for unused samples.