

GENERAL TERMS

These General Terms apply to any transaction you enter into with Pitney Bowes. Other provisions in the Pitney Bowes Terms may also apply, depending on your transaction. Please read these provisions carefully as they constitute part of your agreement with Pitney Bowes.

G1. DEFINITIONS

The following terms mean:

- "Advances" - as defined in Section PW6.
- "Agreement" - the Order and any terms referred to in or attached to the Order; provided, however that this Agreement shall in no event include any purchase order provided by You.
- "Canada Post" - Canada Post Corporation.
- "Consumable Supplies" - ink, ink rollers, toner and drum cartridges, ribbons and similar items. Product-specific consumable supplies are identified in the operator guides.
- "Covered Equipment" - the equipment leased, rented or sold to you from PBC that is covered by the SLA as stated on the Order, excluding any Usage-based Equipment, Meter or standalone software.
- "Equipment" - the equipment listed on the Order, excluding any Meter and standalone software.
- "Excluded Circumstances" - your negligence, an accident, usage which exceeds our recommendations, use of equipment in a manner not authorized by this Agreement or any operator guide, use of equipment in an environment with unsuitable humidity and/or line voltage, damage in transit, virus contamination or loss of data, loss or fluctuation of power, fire, flood or other natural causes, external forces beyond our control, sabotage or service by anyone other than us, failure to use applicable software updates, use of equipment with any system for which we have advised you we will no longer provide support or which we have advised you is no longer compatible, or use of third party supplies (such as ink), hardware or software that results in (i) damage to equipment (including damage to printheads), (ii) poor indicia, text or image print quality, (iii) indicia readability failures or (iv) a failure to print indicia, text or images.
- "Initial Service Term" - twelve (12) months, or, if you have a Lease, the Lease Term.
- "Initial Term" - the period listed on the Order.
- "Lease" - the Order and the Lease terms and conditions attached to the Order.
- "Lease Term" - as defined in the Lease.
- "Meter" - any postage meter supplied by PBC under the Order, including (i) in the case of a Connect+® mailing system, the postal security device, the application platform, the system controller and the print engine and (ii) in the case of all other mailing systems, the postal security device, the user interface or keyboard and display and the print engine.
- "Normal Working Hours" - 8:30 a.m. - 5:00 p.m., Monday - Friday, excluding PBC-observed federal and provincial holidays, in the time zone where the Equipment or other items are located.
- "Order" - the executed order between the applicable Pitney Bowes company and you for the equipment covered by the order.
- "PBC," "we," "our," or "us" - Pitney Bowes of Canada Ltd.
- "PBC Equipment" - Pitney Bowes-branded equipment.
- "Service" - the service option for the Covered Equipment selected by you on the Order.
- "SLA" - the Service Level Agreement.
- "Third Party Equipment" - equipment manufactured by a party other than us.
- "Usage-based Equipment" - equipment for which charges are based on volume of use.
- "You," "your," or "Client" - the entity identified on the Order.

G2. WARRANTY

- G2.1 (a) PBC warrants that the PBC Equipment will be free from defects in material and workmanship and will perform according to the operator guides for a period of ninety (90) days from the date the Equipment or other item is installed at your location, in the case of PBC Equipment which requires installation by PBC, or delivered to your location, in the case of all other PBC Equipment; provided, however, that in the case of a DI2000™ inserting system, the warranty with respect to that item is as set forth in Section D2.1.
- (b) PBC warrants that the Service will be performed in a professional and workmanlike manner.

- (c) **As your sole remedy in the event of a warranty claim, we will either repair or replace the Equipment or, in the case of defective Service, reperform the Service.**
- (d) A "defect" does not include the failure of rates within a rate update to conform to published rates.
- (e) There is no warranty for Equipment requiring repair or replacement because of any Excluded Circumstance.
- (f) The print engine(s), print engine components, structural components and printed circuit board assemblies supplied with the PBC Equipment may be reclaimed, reconditioned or remanufactured. Any such item is warranted to perform according to the same standards as the equivalent new item.
- (g) The warranty does not cover Consumable Supplies.

G2.2 **EXCEPT AS EXPRESSLY STATED IN THIS AGREEMENT, WE (ON BEHALF OF OURSELF AND OUR SUPPLIERS) MAKE NO OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE EQUIPMENT OR SERVICES.**

G2.3 PBC MAKES NO REPRESENTATION, WARRANTY OR CONDITION AS TO ANY THIRD PARTY EQUIPMENT. PBC AGREES TO PASS THROUGH TO YOU ALL THIRD PARTY EQUIPMENT WARRANTIES TO THE EXTENT PERMITTED.

G3. LIMITATION OF LIABILITY

- G3.1 PBC'S TOTAL LIABILITY (INCLUDING ANY LIABILITY OF ITS SUPPLIERS) IS LIMITED TO THE FEES PAID BY YOU FOR THE APPLICABLE EQUIPMENT OR SERVICES.
- G3.2 NEITHER PBC NOR ITS SUPPLIERS IS LIABLE FOR ANY DAMAGE YOU MAY INCUR BY REASON OF YOUR MISUSE OR NEGLIGENT USE OF THE EQUIPMENT, OR YOUR NEGLIGENT ACTS OR OMISSIONS.
- G3.3 NEITHER PBC (INCLUDING ITS SUPPLIERS) NOR YOU WILL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY NATURE WHATSOEVER, INCLUDING COMMERCIAL LOSS, OR LOST PROFITS, DATA, OR GOODWILL, FOR ANY MATTER RELATING TO THIS AGREEMENT.

G4. DEFAULT AND REMEDIES

- G4.1 Default and Remedies. In the event that you do not make any payment within three (3) days after the due date, you breach any other obligation under this Agreement or under any other agreement with PBC and such breach continues for thirty (30) days after we give you notice or you become insolvent or file for bankruptcy, you shall be in default and we may:
- (a) cancel this Agreement and any other agreements PBC has with you;
 - (b) require immediate payment of all payments due under a Lease(s) or other agreements, whether accrued or due in the future;
 - (c) disable the Meter;
 - (d) require you to return the Equipment, Meter and software;
 - (e) if you do not return the Equipment, require you to make immediate payment of an amount equal to the value of the Equipment at such time, as determined by us;
 - (f) charge you our applicable administrative fee assessed on delinquent accounts for each month that your payment is late to the extent permitted by applicable law;
 - (g) charge you interest on any late payment from its due date until paid in full at the lesser of 24% per year or the maximum rate allowed by law;
 - (h) charge you a cheque return fee for payments made by you with insufficient funds; and
 - (i) pursue any other remedy, including repossessing the Equipment and Meter without notice to you. To the extent

permitted by law, you waive any notice of our repossession or disposition of the Equipment or Meter. By repossessing the Equipment or Meter, we are not waiving our right to collect the balance due.

G4.2 **Enforcing Our Rights.** You agree to pay all our costs, including legal fees on a solicitor and client basis, in enforcing our rights under this Agreement.

G4.3 **Suspension of Services.** PBC may suspend any services during any period in which your account is more than thirty (30) days past due.

G4.4 **Waiver.** To the extent permitted by law you waive any applicable provision under any statute, including any personal property security legislation or otherwise which imposes greater obligations on us than provided in this Agreement, including provisions which require us to sell, lease or use any Equipment or Meter to reduce our damages, including our realization of the remaining value of the Equipment or Meter, which require us to post security for costs in the event of litigation, or which may limit or modify any of our rights or remedies. To the extent permitted by law, you release and waive any and all rights and benefits and the protection that may be available to you with respect to this Agreement, or any agreement or instrument renewing, amending or extending this Agreement, pursuant to the Limitation of Civil Rights Act in Saskatchewan, and the provisions of the Civil Code of Quebec relating to the leasing or hiring of things, as the Act or Code may from time to time be amended or replaced.

G5. TAXES

You agree to pay PBC for all sales, use, property or other taxes (excluding taxes on or measured by net income) related to the Lease and/or rental agreement and related payments or services, the Equipment, Equipment location, Meter and Meter location. With respect to property and similar taxes, PBC will determine the amount of such taxes to be charged to you based on its reasonable valuation of the Equipment or of the Meter, taking into consideration applicable tax rates and depreciation.

G6. EMBEDDED SOFTWARE AND SUBSCRIPTION SERVICES

G6.1 **Embedded Software.** Our Equipment may contain embedded software. You agree that: (i) PBC and its licensors own the copyrights and other intellectual property in and to the embedded software; (ii) you are licensed only to use the embedded software with our Equipment in which the embedded software resides; (iii) you will not copy, modify, decompile, or otherwise attempt to unbundle, reverse engineer or create derivative works of the embedded software, except as permitted by applicable law; (iv) you will not distribute or otherwise disclose the embedded software (or any portion thereof) to any other person; and (v) you may not export the embedded software in contravention of applicable export control laws. The embedded software contains third party software, which, notwithstanding the above, is subject to any terms that accompany such third party software. Technical support for any embedded software will be furnished in accordance with the SLA covering the Equipment in which such software is embedded.

G6.2 **Subscription Services.** We may offer certain on-demand services to you on a subscription basis as indicated in the applicable Order. Upon payment of any applicable subscription fees, we grant you a non-exclusive, non-transferable license to access and use the subscription services for the term set forth in the Order for your internal business purposes only. You may not provide access to the subscription services to any third party, or use the subscription services on behalf of any third party absent our written consent. You will comply with all applicable law, rule and regulation governing your use of the subscription services, including any data protection or privacy laws. You will not use the services to send or store infringing, obscene, threatening or unlawful material or disrupt others use of the subscription services, network service or network equipment, and you will not reverse engineer, decompile or disassemble the subscription services. If the subscription services you purchased come with their own terms of use, your use of those subscription services will be governed by those terms. Maintenance and technical support for any on-demand

services will be provided in accordance with a separate agreement, if any, covering the same.

G7. INTERNET ACCESS POINT

The internet connectivity for the Equipment or Meter may use an internet access point (e.g., wireless router) provided by us. You may only use this access point for connectivity between the Equipment or Meter and the internet and for no other purpose. You agree to pay all costs associated with use of the access point in violation of this restriction.

G8. ANALOG SET-UP FEE

All mailing systems include digital connection capability. You should use a digital connection. If you use an analog connection during the term of this Agreement, an additional set-up fee for analog access will be assessed. You will receive an invoice following your use of an analog connection.

G9. FINANCING STATEMENTS

As continuing security for the repayment in full of all Advances and for the repayment and performance of any other obligations owing by you to PBC, you hereby grant to PBC a continuing, specific and fixed security interest in all present and future equipment and other property (including the Equipment and Meters) leased or otherwise provided under or in connection with this Agreement, together with any and all proceeds thereof. You hereby authorize us to prepare and file such instruments as are required to evidence, perfect and protect the security interest described herein and you waive the right to receive a copy of any financing statement or verification statement.

G10. QUEBEC HYPOTHEC

You hereby create a hypothec on the universality of all present and future equipment and other property acquired from time to time under this Agreement and at any time located in the Province of Quebec, in the amount of \$1,000,000, as security for all Advances and other obligations under this Agreement and to evidence and protect our interest in the Equipment and Meters. This hypothec may be registered by us at the Register of Personal and Movable Real Rights (Quebec). You also agree, at our request, to use commercially reasonable efforts to obtain a cession of rank (priority agreement) from the holder of each hypothec registered at the Register of Personal and Movable Real Rights (Quebec) in priority to ours such that we will have a first-ranking hypothec on all such equipment and other property acquired under this Agreement. The foregoing hypothec will subsist pursuant to Article 2797 of the Civil Code of Quebec notwithstanding any fluctuation or repayment of Advances until your obligations in respect of Advances have been discharged in full.

G11. Export Laws

You agree: (i) to comply with all applicable Canadian export control laws and regulations; (ii) not to export, re-export, or transfer any products and technologies received in an Order to any destination or to any person if this would be prohibited by any Canadian law or regulation or by any Canadian Government entity or agency; and (iii) to immediately notify us in writing if you or one of your affiliates is or becomes listed in any Denied Parties List or if your export privileges or an affiliate's export privileges are denied, suspended or revoked by any Canadian Government entity or agency.

G12. MISCELLANEOUS

G12.1 **Use of Equipment.** You agree to use the Equipment and Meter only for commercial, industrial or business purposes, and not for personal, family, or household purposes or for farming, ranching, feed-lot, fishing or other related operations. You further agree that you do not intend that this Agreement be a "consumer contract" subject to the consumer protections acts or similar laws of any Province or Territory.

G12.2 **Force Majeure.** We are not responsible for any delay or failure to perform resulting from causes beyond our control.

G12.3 **Assignment.** You may not assign this Agreement without our prior written consent, which shall not be unreasonably withheld. Any assignment without our consent is void.

G12.4 **No Right to Setoff.** Payments are not subject to setoff or reduction.

G12.5 **Legal Action.** ANY LEGAL ACTION YOU FILE AGAINST US MUST BE STARTED WITHIN ONE (1) YEAR AFTER THE EVENT GIVING RISE TO YOUR CLAIM, OR SUCH LONGER PERIOD AS MAY BE REQUIRED BY LAW. YOU WAIVE ANY

RIGHT TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF THIS AGREEMENT.

- G12.6 Merger, Amendment, Severability. This Agreement incorporates all of the terms agreed by both parties and can only be changed by written agreement. You may use a purchase order to offer to obtain Equipment or services but none of its provisions will modify or supersede these provisions unless we expressly agree in writing. If one or more provisions of this Agreement are deemed to be invalid or unenforceable, the remaining provisions will not be affected.
- G12.7 Survival. Our respective rights and obligations under Section G3 (Limitation of Liability), G4 (Default and Remedies) and G5 (Taxes) survive termination of this Agreement.
- G12.8 Choice of Law. This Agreement shall be governed and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein, except

where this Agreement relates to the lease or rental of Equipment, in which case the Agreement is governed by and construed in accordance with the laws in effect from time to time in the Province or Territory wherein the Equipment is to be located according to the terms hereof and the laws of Canada applicable therein.

- G12.9 Language. The parties hereto confirm that it is their wish that this Agreement as well as other documents relating hereto, including notices, have been and shall be drawn up in the English language only. Les parties aux présentes confirment leur volonté que cette convention de même que tous les documents, y compris tous avis, s'y rattachant, soient rédigés en langue anglaise seulement.

LEASE TERMS AND CONDITIONS

The following provisions apply whenever you lease Equipment from PBC.

L1. DEFINITIONS

Capitalized terms that are not defined in this document are defined in the Pitney Bowes Terms.

L2. AGREEMENT

L2.1 You are leasing the Equipment listed on the Order.

L2.2 **You may not cancel this Lease for any reason. All payment obligations are unconditional.**

L3. PAYMENT TERMS

L3.1 We will invoice you quarterly in advance for all payments on the Order, except as provided in the Order or in any statement of work attached to the Order (each such payment, a "Periodic Payment"). You will make each Periodic Payment by the due date shown on our invoice.

L3.2 Your Periodic Payment may include an origination fee, amounts carried over from a previous unexpired lease, software license and maintenance fees and other charges.

L3.3 Any Meter rental fees and SLA fees (collectively "PBC Payments"), will be included with your Periodic Payment and begin with the start of the Lease Term (as defined below). Your Periodic Payment will increase if your PBC Payments increase.

L4. EQUIPMENT OWNERSHIP

We own the Equipment and the Meter. Except as stated in Section L6, you will not have the right to become the owner of the Equipment at the end of this Agreement.

L5. LEASE TERM

The "Lease Term" is the number of months stated on the Order. The Lease Term will commence on the date the Equipment is shipped, if we do not install the Equipment. If we install the Equipment, the Lease Term will commence on the installation date.

L6. END OF LEASE OPTIONS

L6.1 During the 90 days before your Lease ends, you may, if not in default, select one of the following options:

- enter into a new lease with us;
- purchase the Equipment "as is, where is" for fair market value; or
- return the Equipment and Meter in its original condition, reasonable wear and tear excepted and pay us our then applicable processing fee (including any applicable equipment return fee). If you return the Equipment and Meter, you will, as specified by us, either properly pack and return them to us in the return box and with the shipping label provided by us or furnish them to such service carrier as we specify to pick up and ship them to us.

L6.2 If you do not select one of the options in Section L6.1, you will be deemed to have agreed to enter into successive 12-month annual extensions of the term of this Agreement. You may choose to cancel the automatic extensions by giving us written notice at least 60 days before the Lease expires

(unless the renewal is prohibited by law). Upon cancellation, you agree to either return all items pursuant to Section L6.1(c) or purchase the Equipment.

L7. WARRANTY AND LIMITATION OF LIABILITY

L7.1 PBC PROVIDES YOU WITH THE LIMITED WARRANTY IN SECTION G2.

L7.2 EXCEPT FOR THE LIMITED WARRANTY IN SECTION G2, PBC MAKES NO WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED, LEGAL OR CONVENTIONAL, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FREEDOM FROM INTERFERENCE OR INFRINGEMENT.

L7.3 WE ARE NOT LIABLE FOR ANY LOSS, DAMAGE (INCLUDING INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES OR FOR ANY LOSS OF PROFITS), OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT.

L8. EQUIPMENT OBLIGATIONS

L8.1 Condition and Repairs. You will keep the Equipment free from liens and in good repair, condition, and working order.

L8.2 Inspection. We may inspect the Equipment and related maintenance records.

L8.3 Location. You may not move the Equipment from the location specified on the Order without our prior written consent.

L9. RISK OF LOSS AND VALUEMAX® PROGRAM

L9.1 Risk of Loss.

- You bear the entire risk of loss to the Equipment from the date of shipment by PBC until the Equipment is returned to, and received by, us, regardless of cause, ordinary wear and tear excepted ("Loss").
- No Loss will relieve you of any of your obligations under this Lease. You must immediately notify us in writing of any Loss.
- To protect the Equipment from loss, you will either (i) keep the Equipment insured against Loss for its full replacement value under a comprehensive policy of insurance or other arrangement with an insurer of your choice, provided that it is reasonably satisfactory to us ("Insurance") or (ii) be enrolled in PBC's ValueMAX program described in Section L9.1(d).
- YOU MUST CALL US AT 1-800-672-6937 AND PROVIDE US WITH EVIDENCE OF INSURANCE. If you do not provide evidence of Insurance and have not previously enrolled in our equipment replacement program (ValueMAX), we may include the Equipment in the ValueMAX program and charge you a fee, which we will include as an additional charge on your invoice.
- We will provide written notice reminding you of your Insurance obligations described above in Section L9.1(c).
- If the Equipment is included in the ValueMAX program and any damage or destruction to the Equipment occurs

(other than from your gross negligence or willful misconduct, which is not covered by ValueMAX), we will (unless you are in default) repair or replace the Equipment.

- (g) We are not liable to you if we terminate the ValueMAX program. By providing the ValueMAX program we are not offering or selling you insurance; accordingly, regulatory agencies have not reviewed this Lease, this program or its associated fees, nor are they overseeing our financial condition.

L10. MISCELLANEOUS

- L10.1 If more than one lessee is named in this Lease, liability is joint and several or, in province of Quebec, solidary.
- L10.2 You, and any guarantor signing the Order or any documents executed in connection with this Lease, agree to furnish us financial information upon request. Each of these persons

authorizes us to obtain credit reports on them now and in the future.

- L10.3 YOU MAY NOT ASSIGN OR SUBLET THE EQUIPMENT, THE METER OR THIS LEASE WITHOUT OUR PRIOR WRITTEN CONSENT, WHICH WILL NOT BE UNREASONABLY WITHHELD. ANY ASSIGNMENT WITHOUT OUR CONSENT IS VOID.
- L10.4 We may sell, or assign all or any part of this Lease or the Equipment. Any sale or assignment will not affect your rights or obligations under this Agreement.
- L10.5 We will provide you with a welcome letter by email or mail.

SERVICE LEVEL AGREEMENT

The following provisions describe SLA options that PBC offers on Covered Equipment. The option you select will be listed on the Order. If you are acquiring software which is not embedded in Equipment, a separate Software License and Maintenance Agreement will cover software maintenance and will be (i) provided at the time of installation, (ii) attached to the Order or (iii) incorporated into the Order by reference. A separate maintenance agreement will cover maintenance on Usage-based Equipment and will be attached to the Order if you are acquiring Usage-based Equipment.

S1. SERVICE LEVEL OPTIONS

The following describes the maintenance provided by PBC for the Covered Equipment.

S1.1 Standard SLA

- (a) General. PBC will provide at its option either repair or replacement services for the Covered Equipment during the Initial Service Term or any Renewal Service Term (as defined in Section S3.2) (the "Service Term"). You are also entitled to two (2) preventative maintenance service calls per calendar year. PBC will notify you when preventative maintenance is due or you can request preventative maintenance service.
- (b) Replacement Service.
- (i) If PBC determines that replacement is necessary, PBC will, at no additional cost, promptly ship new, reconditioned, or remanufactured equipment of the same or a functionally equivalent model to replace the affected Covered Equipment.
- (ii) Unless PBC instructs you otherwise, within five (5) days of receiving the replacement equipment, you must pack the Covered Equipment to be replaced in the shipping carton that contained the replacement equipment, place the pre-paid return address label on the carton, and return it to PBC.
- (iii) You are responsible for Covered Equipment until PBC receives it.
- (c) Repair Service.
- (i) If your Covered Equipment needs repair, PBC may provide repair by remote access, diagnostics and service and/or by on-site repair service.
- (ii) Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies.
- (iii) PBC will provide parts or assemblies for discontinued equipment (or equipment not marketed as new) only if available.
- (iv) If PBC deems it necessary, PBC will dispatch a service technician to arrive at your location for on-site service. You will not incur hourly charges unless service is performed outside Normal Working Hours, which will be done only with your consent.
- (d) Additional Covered Items. PBC will provide printheads for Covered Equipment without additional charge, except for

printheads which need to be replaced as a result of any Excluded Circumstance.

S1.2

Performance SLA

- (a) General. Under this option, PBC will provide the following support to all clients who are eligible to receive Performance SLA in accordance with PBC's policies and who have elected this option:
- (i) All coverage provided under Standard SLA.
- (ii) Quarterly performance reports made available on MyAccount at https://www.pb.com/bv2was/LoginHome.go?lang=en&country=CA&request_locale=en_CA.
- (iii) One two hour application consultation for your mailing and shipping needs.
- (b) Response Time Commitment.
- (1) If PBC determines that on-site service is necessary, PBC will use commercially reasonable efforts to have a service technician on-site (during Normal Working Hours only) within 4 hours or 8 hours, as specified on the Order, after PBC has determined that it cannot resolve the issue remotely (the "Response Time Commitment").
- (2) The Response Time Commitment relates solely to the arrival of a technician at your location; it is not a guaranteed resolution of the problem within the Response Time Commitment period, nor does it guarantee that all parts necessary to make a repair will be on-site within this time frame.
- (3) The Response Time Commitment does not apply to Service designated as service by replacement, relocation services, software maintenance, preventative maintenance, operator training, or other services not essential to repair the Covered Equipment.
- (4) If the Covered Equipment is moved from its original location, PBC may, at its option, remove the Response Time Commitment. If this happens, you will receive Standard SLA and we will adjust the SLA charges payable by you appropriately.
- (c) Liquidated Damages for Failure to Meet Response Commitment
- (1) PBC agrees that if it does not meet the Response Time Commitment, PBC will provide you with a credit equal to the difference between the cost of Standard SLA and Performance SLA for three (3) months.

- (2) You must use a credit request form to request a credit. You may obtain a credit form from your service technician or by calling the Customer Care Center. The credits are limited to credits for four (4) failures to meet the Response Time Commitment in any twelve (12) month period during the Service Term. **These remedies are your sole remedy for PBC's failure to meet the Response Time Commitment.**

S2. SLA FEES

- S2.1 You will pay the SLA fees for the Initial Service Term and any Renewal Service Term(s).
- S2.2 We may, after the Initial Service Term, increase SLA fees which will be reflected on your invoice.
- S2.3 If the service technician provides service for repairs caused by any Excluded Circumstance, PBC will charge you for the service at PBC's current hourly rates and for any required parts.

S3. SERVICE TERM

- S3.1 Term. PBC will provide you with Service for the Initial Service Term and any Renewal Service Terms.
- S3.2 RENEWAL SERVICE TERM(S). SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE (1) YEAR TERMS (EACH, A "RENEWAL SERVICE TERM"), UNLESS:
- (a) YOU TERMINATE SERVICE UNDER SECTION S3.3; OR
- (b) THE LEASE EXPIRES OR IS TERMINATED (IN WHICH CASE, THE SERVICE TERM WILL TERMINATE ON THE SAME DAY AS THE LEASE); OR
- (c) THE RENEWAL IS PROHIBITED BY APPLICABLE LAW.
- S3.3 Ending Your Service.
- (a) If you do not wish to renew Service, you must deliver a written notice (the "Termination Notice") at least sixty (60) days prior to the renewal of the term to us at PO Box 278, Orangeville, ON, L9W 2Z7, Attn: CRCA. Your

- Termination Notice must include your customer account number or CAN and lease number (if applicable).
- (b) PBC reserves the right not to renew your SLA for any reason.

S3.4 Service Changes.

- (a) PBC may modify its Service by giving written notice to you (a "Service Change Notice"), which will state whether the change is material.
- (b) After receiving a Service Change Notice, if the change is material, you may terminate Service as described in Section S3.3 above.

S4. EQUIPMENT COVERAGE

You cannot elect to have Service apply to some but not all of the items of Equipment.

S5. ADDITIONAL SERVICE TERMS

These terms apply to all Service options:

- (a) Limitations. Service does not include services and repairs that are made necessary due to any Excluded Circumstance.
- (b) Additional Exclusions. Service excludes the supply of postal and carrier rate changes and Consumable Supplies.
- (c) Replacement Equipment.
- (i) If you replace any of your Covered Equipment during the Service Term, and the replacement Equipment qualifies for Services, PBC will automatically enroll you for maintenance coverage on the new Equipment at PBC's then current annual rates.
- (ii) If you acquire an attachment, or add a unit, to your Covered Equipment, PBC will provide coverage for any qualifying attachment or unit and adjust your rate accordingly.
- (iii) If you choose not to continue coverage on the replacement Equipment, attachment or unit, you may cancel Service for the item within thirty (30) days of the date of your initial invoice for the item from PBC. If you cancel, any further maintenance or repair services on the Equipment, attachment or unit will be subject to PBC's current rates.
- (d) Rental Equipment. With respect to Equipment which is rented, the Standard SLA will apply at no additional charge.

EQUIPMENT AND POSTAGE METER RENTAL TERMS AND CONDITIONS

The following provisions apply whenever you rent a Meter or Equipment from Pitney Bowes.

R1. EQUIPMENT/METER RENTAL

R1.1 Rental.

You shall rent from us the Equipment and Meter(s) listed on the Order for the Initial Term; provided, however, that, except as prohibited by applicable law, you will be deemed to have agreed to enter into successive 12-month annual extensions of the term of such rental if you do not give us written notice of your decision to have the term expire at least 60 days prior to the scheduled date of expiry of the term as from time to time in effect. Upon expiration of the term of the rental, you agree to return Equipment and Meters covered by such rental in its original condition, reasonable wear and tear excepted.

R1.2 Fees.

- (a) We will invoice you the Equipment and Meter rental ("rental") fees listed on the Order.
- (b) We may, after the date which falls one year after the date of installation of the Equipment and Meter covered by these rental terms and conditions, increase the rental fees by giving you not less than twenty (20) days prior written notice of such increase, which notice shall be effective upon the posting of the same by ordinary mail to your address. Any such increase will be reflected on your invoice.

R1.3 Postage.

- (a) Until the date which falls one year after the date of installation of the Meter, we may charge you a fee of up to \$15.00 for refilling your postage. Thereafter, we may increase postage refill fees upon twenty (20) days prior written notice, which notice shall be effective upon the posting of the same by ordinary mail to your address.

- (b) If you participate in any PBC credit programs (such as PitneyWorks®), we will advance payment on your behalf to Canada Post, subject to repayment by you under the terms of the postage advance program and billed separately from your rental fees.
- (c) We have established a pooled account (the "Postage By Phone™ Account") with the Royal Bank of Canada (together with any other Canadian chartered bank to which all or any portion of the Postage By Phone Account is moved, the "Bank") for the purpose of funding postage refills, as further described in Section R1.4.

R1.4 Advance Postage Deposit Arrangements.

- (a) In order for you to load postage into your Meter you will have to make a deposit into the Postage By Phone Account. Your making of such deposit signifies your agreement with the terms and conditions of this Agreement governing the operation of the Postage By Phone Account. You will not be entitled to withdraw any monies on deposit in, or issue cheques or other orders for payment of monies from, the Postage By Phone Account.
- (b) You hereby authorize us to instruct and direct the Bank from time to time as follows:
- (i) to make payment of a specified amount to Canada Post (a "Postage Payment Direction");
- (ii) to make payment of a specified amount to you so long as you have funds in the Postage By Phone Account that are not subject to a Postage Payment Direction;

- (iii) to withdraw any incorrect or unfunded deposits made to the Postage By Phone Account; and
- (iv) to withdraw and place in safekeeping with the Bank a specified amount of funds from the Postage By Phone Account in Canadian dollar obligations of the Bank or Canadian dollar obligations guaranteed by or secured by the Government of Canada, as we may specify from time to time, and to return such specified amount to the Postage By Phone Account upon maturity of the instruments.
- (c) You hereby authorize our designated agent ("Designated Agent") to provide the Bank from time to time with instructions with respect to the Postage By Phone Account to the same extent as we could and agree that the Bank can rely fully upon the instructions of the Designated Agent.
- (d) You hereby irrevocably authorize and direct the Bank to accept and act in accordance with instructions from us as to the payment of monies out of the Postage By Phone Account and providing Canada Post and its agents and employees with access to the records maintained by us and the Bank with respect to the Postage By Phone Account.
- (e) Deposits to the Postage By Phone Account may be by cheque drawn on a Canadian financial institution payable to the Postage By Phone System at the following address or such other address as we may provide to you from time to time: Box 1040, Postal Station 'A', Toronto, ON M5W 3C8. The proceeds of each cheque will be deposited in the Postage By Phone Account by the Bank
- (f) You may contact us from time to time and request incremental postage settings. Upon receipt of each such request, we are hereby authorized and directed by you to: (i) issue to the Bank a Postage Payment Direction; and (ii) transmit to you a postage setting code sufficient to permit you to increase the postage on the Meter by such amount. If for any reason postage is paid for but not received by you, we will promptly repair or replace the Postage By Phone function of the Meter so that your Meter contains a postage credit in the amount paid. If you have insufficient funds credited to your account in the Postage By Phone Account, the amount due for postage settings, less the amount of funds on deposit, will be automatically charged to your PitneyWorks account up to your PitneyWorks credit limit. The postage meter reset fee, if any, which you pay under the Postage By Phone program is different from and will be charged in addition to any transaction fees payable under the PitneyWorks program.
- (g) Upon receipt of each cheque for deposit to the Postage By Phone Account, the Bank will advise us of the amount thereof and will provide identifying information in respect of the customer. We will maintain, on behalf of the Bank in respect of each customer, a record of deposits by and payments for or on account of such customer. We have been appointed the agent of the Bank for this purpose, and you acknowledge that, as compensation for the performance of such services, we will be entitled to receive all interest, income and other funds accruing on funds deposited in or held for the credit of the Postage By Phone Account as fees for service directly from the Bank. The Bank will maintain records or computer files in respect of the Postage By Phone Account showing dates and amounts of deposits to and payments out of the Postage By Phone Account and the current balance in the Postage By Phone Account from time to time. Such records or computer files will be maintained by the Bank only in respect of the aggregate of deposits to and payments out of the Postage By Phone Account, and, for the purpose of maintaining such records and computer files, the Bank will be entitled to consult with and rely upon the records maintained by us.
- (h) The Bank will not be responsible for any loss or damage incurred or suffered by you as a result of the operation of the Postage By Phone Account in accordance with these terms and conditions or resulting either directly or

indirectly from any cause beyond the control of the Bank or within our control.

- (i) The Bank will not look to you for payment in respect of services or expenses performed or incurred by the Bank in connection with the operation of the Postage By Phone Account. You will not be entitled to any interest income or other funds accruing on funds deposited in or held for the credit of the Postage By Phone Account.

R1.5 Meter Repair or Replacement.

If the Meter malfunctions or fails due to reasons other than an Excluded Circumstance, we will repair or replace the Meter.

R1.6 Ownership and Use.

You acknowledge that you have no ownership rights in the Equipment and the Meter provided to you in connection with the rental of the same. You further acknowledge that PBC reserves the right to recover or disable any Meter and/or terminate your use and rental of the same at any time and for any reason. You will adhere to the Canada Post Requirements set forth below in respect of any Meter provided to you hereunder. In addition, you agree that you will:

- (a) promptly notify our local branch office in writing of any proposed change of the address of the premises at which the Equipment and Meter is located and obtain our consent to any such change prior to moving any Equipment and Meter to a different location;
- (b) not take the Meter to a post office for any setting of postage;
- (c) use reasonable care in handling and operation of any Equipment and Meter provided to you in connection with the rental of the same and notify us immediately in the event of any defect of malfunction (whether temporary or continuing) of any such Equipment or Meter; and
- (d) give prior written notice to us before employing any special attachments, printing plates or other devices, and if such special attachments, printing plates or other devices interfere with the normal and satisfactory operation or maintenance of any Equipment or Meter in such manner as to affect the accuracy or expected service life thereof, increase substantially the cost of maintenance thereof or create a safety hazard, you will, upon notice from us, promptly remove the special attachments, printing plates or other devices and restore the Equipment and Meter to the normal condition at your sole expense.

R1.7 Canada Post Requirements.

- (a) Canada Post is not a party to any lease agreement or rental agreement and will not have any obligations or liability under this Agreement.
- (b) The Meter remains our property and is for use only by you on our mailing machines. The Meter may be used for postage imprinting and recording purposes only. Tampering with or misuse of the Meter is punishable under law.
- (c) You agree to allow us to inspect the Equipment and the Meter periodically and to inspect your mail preparation process, including, but not limited to, confirming the accurate determination of the applicable rates and reference to the applicable current rates.
- (d) You acknowledge that title to the postage indicia impression die(s) remains with Canada Post and Canada Post may, should it deem it necessary, remove and return it to a Canada Post branch office.
- (e) The Meter rental terms and your use of the Meter are subject to the Canada Post Corporation Act and the regulations under that Act, including, but not limited to, the Postage Meter Regulations and any other applicable laws.
- (f) You will take reasonable steps as are reasonable necessary to ensure the security of the Meter and as directed by us.

- (g) You acknowledge that we and Canada Post each have the right to correct or require the correction of any oversetting of the postage component of the Meter.
- (h) If the Meter enables you to print words or symbols other than those which are required under the Canada Post Corporation Act or the regulations under that Act or as otherwise required by Canada Post, you must not set up the Meter except as approved by Canada Post.
- (i) You acknowledge and approve of exchanges of information regarding you between us and Canada Post.
- (j) You will allow Canada Post to use for any purpose that is within the description of the objects of Canada Post under the Canada Post Corporation Act, any information concerning you.
- (k) If Canada Post establishes specifications for items used in conjunction with Meters, including, but not limited to, tape and ink, you will only use items that are on Canada Post's then current list of acceptable items of that type.
- (l) You agree that you are using and will use the Meter only in connection with your business or businesses for your own mail or, to the extent that your core business or businesses involve the provision of mail preparation and induction services to your customers, the mail of such customers. You further agree to furnish to us the legal name and the trading name of your business, or each of the listed businesses, as the case may be.

R1.8 Rate Updates and Soft-Guard® Program.

- (a) Your Meter or Equipment may require periodic rate updates that you will obtain under our Soft-Guard program.
- (b) Under the Soft-Guard program, we will provide up to 6 rate updates during each 12 month period following the date of installation of the Equipment.

- (c) We will provide rate updates only if required due to a postal or carrier change in rate, service, Postal Code or zone change.
- (d) The Soft-Guard program does not cover any change in rates due to custom rate changes, new classes of carrier service, or a change in Postal Code or zone due to equipment relocation.
- (e) If you have received the maximum number of rate updates under the Soft-Guard program, you will be billed separately for any additional rate update we provide.
- (f) You agree to keep the Meter up to date with all Canada Post postal rate updates and applicable software downloads as regulated by Canada Post and required by us to ensure the security and proper functioning of the Meter, and to download such updates as soon as made available to you.
- (g) We will not be responsible for any losses arising out of or resulting from the failure of rating or software downloads to conform to published rates.

R1.9 Collection of Information.

- (a) You authorize us to access and download information from your Meter. We may disclose this information to Canada Post or other authorized governmental entity.
- (b) We will not share with any third parties (except Canada Post or another governmental entity) individually identifiable information that we obtain about you from your Meter unless required to by law or court order.
- (c) We may elect to share aggregate, de-identified data about our clients' postage usage with third parties.

R1.10 Meter Care and Risk of Loss.

- (a) You agree to take proper care of the Meter(s) as stated in this Agreement and any user documentation.
- (b) You assume all risk of loss or damage to the Meter(s) while you have possession.

PITNEYWORKS TERMS AND CONDITIONS

The following provisions apply to the PitneyWorks Program (the "Program").

PW1. DESCRIPTION OF PITNEYWORKS

The Program is operated through PBC. It provides a convenient way for you, your employees or agents with express, implied or apparent authority (each an "authorized user") to order office supplies, postage meter resets, or other products and services from us. The Program is available only to order products and services for commercial, industrial or business purposes, and you represent to us that the Program will not be used by you or your authorized users to order products or services for personal, family or household purposes, or for use in farming, ranching, feed-lot, fishing or other related types of operations.

PW2. ORDERS

Each order will be charged to your account ("Account"), together with all applicable fees and charges.

PW3. BILLING STATEMENTS; CHANGES TO AUTHORIZED USERS

You will receive a billing statement for each billing cycle, unless (a) there has been no activity on your Account (b) the outstanding balance or credit to your Account is less than \$5.00, or (c) the only activity on the billing statement is a customer service adjustment, such as a fee reversal. You have thirty (30) days from the date on the billing statement to notify us of any errors on the billing statement, or it will be deemed correct. You are responsible for all activity on your Account by an authorized user until you provide us with written notice revoking the authority of that authorized user.

PW4. PAYMENT TERMS

Payments on your Account are due by the due date shown on your billing statement. Each payment that you make will be applied first against any accrued interest and default charges, second against any fees incurred, including without limitation transaction fees and statement reprint fees, thirdly against any previously unpaid balances that remain outstanding

on your Account, and finally against any balance for orders processed or fees incurred during the current billing cycle that have not yet appeared on your billing statement.

PW5. ADVANCES AND FINANCIAL INFORMATION

The Program allows you to defer payment on your purchases by obtaining Advances on your Account. PBC will assign a credit limit to your Account and may change your credit limit at any time. PBC may refuse to make an Advance if the amount of such Advance plus your existing unpaid Account balance would exceed your credit limit. You agree that PBC may receive from and exchange credit and other information concerning your affairs with others, including financial institutions, credit reporting agencies, credit bureaus and persons with whom you may have financial dealings. PBC will not be liable or responsible in any way in connection with any such credit reporting.

PW6. DEFERRED PAYMENT

If you choose not to pay the entire balance due by the due date shown on your billing statement, you may pay a portion of the balance by the due date, but not less than the minimum payment shown. If there is a remaining balance on your Account as of the payment due date, PBC will make an advance ("Advance") to you in the amount of the unpaid balance or your credit limit, whichever is less. Each Advance will be deemed to have been made on the date the order(s) for which payment has not been made was delivered.

PW7. INTEREST ON ADVANCES

PBC will charge you, and you agree to pay, interest on all Advances based on the average daily balance of Advances outstanding in each billing cycle from the date the Advances were deemed to have been made until all Advances are repaid. Unpaid interest, default charges and transaction fees will be added to the outstanding balance of unpaid Advances on the due date shown on each billing statement if they are

not paid by that date and such balance will thereafter be treated as part of the Advance. The interest rate applicable to Advances is 2% per month (24% annually).

PW8. CHARGES AND FEES

Unless prohibited by law, you agree to pay the fees and charges of which we have given you notice, including those relating to: (i) transaction fees, if applicable; (ii) if transaction fees are inapplicable, overage fees; (iii) your failure to pay in a timely manner; (iv) your exceeding your credit limit; and (v) fees attributable to the return of any payment item, cheque or draft.

PW9. ACCOUNT CANCELLATION AND SUSPENSION

PBC may at any time close or suspend your Account or, if applicable, temporarily refuse to make new Advances or fulfill orders. You can cancel your Account by notifying PBC in writing. No cancellation or suspension will affect your obligation to pay any amounts you owe under the Program.

PW10. DEFAULT AND REMEDIES

You will be in default if you fail to make a payment when due or fail to comply with any other terms of the Program, this Agreement or any other

agreement between you and us. If you are in default, we will not be obligated to provide the PitneyWorks service or, if applicable, make any new Advances, and we may demand immediate payment of the entire amount you owe, plus interest at the rate applicable to Advances.

PW11. AMENDMENT AND TERMINATION OF THE PROGRAM

We may amend the terms of the Program at any time upon ten (10) days' notice to you. Any amendment will become effective on the date stated in the notice and will apply to any outstanding unpaid balance on your Account. We may terminate the Program at any time upon notice to you. Any outstanding obligations on your part will survive termination of the Program or your Account.

PW12. MISCELLANEOUS

PBC may accept late payments, partial payments or cheques, drafts and money orders marked "payment in full", without losing any of its rights. PBC may choose not to exercise or to delay enforcement of any of its rights without losing them. PBC may assign your Account and its rights and obligations under the Program to a third party. You may not assign your Account or your interest, if any, in the Program.

DI2000™ TERMS AND CONDITIONS

The following provisions apply whenever you buy, lease or rent the DI2000™ inserting system (the "System").

D1. SYSTEM FEES

D1.1 System Fees. If you are not leasing the System or remitting lease payments to PBC, we will invoice you the System fees listed on the Order. You agree to provide accurate information about base and measured usage rates to us. If the information is not accurate, we reserve the right to estimate such usage and make adjustments based on actual usage on your next invoice.

D1.2 Volume Overage Fees. We will invoice you for additional fees that result from annual cycle volume overages according to the maximum number of annual cycles per System as noted on the Order. The overage rate for the System is will be set forth in your maintenance agreement. The number of annual cycles is determined by measuring complete cycles and not individual page counts.

D2. SYSTEM MAINTENANCE SERVICES

a. Repair Service. If we determine that repair service is necessary, we may provide repair by remote access, diagnostics and coordinated remote service, or by on-site repair service. If the System is under warranty, and we need to take the System back to its facility, PBC will be responsible for all transportation costs. Repair service is provided only for damage resulting from normal wear and tear. Repair service may include the use of new, reconditioned, or remanufactured parts and assemblies. We will provide parts or assemblies for discontinued Equipment (or Equipment not marketed as new) only if available. Lubricants and other materials needed to service the Equipment, except consumable supplies, are provided without additional charge. Not included as normal wear is coverage for repairs made necessary due to Excluded Circumstances. If off site service is not successful, then a customer service representative will be sent to your location. No hourly charges will be incurred for on site or off site service unless such service is performed outside Normal Working Hours.

b. System Maintenance Fees. If the Order specifies the purchase of maintenance services, you will pay the fees for the Initial Service Term, and any Renewal Service Term (as defined below), upon receipt of our invoice. If you are leasing, the fees will be incorporated into your payment cycle. The fees will be reviewed on an annual basis, and we will notify you in writing of any price increase not less than thirty (30) days prior to the beginning of the Renewal Service Term. Upon receipt of such notice, you will have thirty (30) days to reject such increase. If such increase is rejected, the parties will have thirty (30) days from the date of rejection to mutually agree upon a price for the upcoming year. In the event that such negotiation period expires without agreement and PBC is still providing services to you, you will be responsible for paying the monthly fee to PBC at the new price until resolution is achieved. In the

event there is no agreement as to price, we will terminate maintenance services. Notwithstanding anything to the contrary herein, we will not be obligated to provide any maintenance services before receiving full payment of any applicable invoice.

c. Replacement System. If you want to replace any of the Equipment comprising the System or have additional equipment which will become part of the System, adjustments will be made by mutual agreement. If you do not want to continue coverage on new replacement equipment, any further maintenance services will be subject to PBC's then-current rates.

d. Customer Self-Service Maintenance. NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, WE WILL NOT IN ANY EVENT BE LIABLE FOR ANY CLAIMS OF ANY KIND, ASSERTED BY YOU OR ANY THIRD PARTY, CAUSED BY THE REMOVAL, MODIFICATION, FAILURE TO MAINTAIN OR BY-PASSING OF BUILT-IN SAFETY FEATURES BY YOU.

e. Support Services. If you request that we provide services such as installation, maintenance, training, consulting, systems integration and data conversion or other similar support services ("Support Services"), charges for such services are in addition to the price of the System, unless otherwise specified in the Order. Your obligation to pay for Support Services is a binding obligation and will survive any termination of this Agreement for whatever reason.

D3. SYSTEM MAINTENANCE TERM

a. Term. We will provide you with maintenance services for the System as identified on the Order during the Initial Service Term and any Renewal Service Term.

b. RENEWAL SERVICE TERM(S). MAINTENANCE SERVICE AUTOMATICALLY RENEWS FOR CONSECUTIVE ONE (1) YEAR TERMS (EACH, A "RENEWAL SERVICE TERM"), UNLESS: (a) YOU TERMINATE MAINTENANCE SERVICE AS SPECIFIED IN SECTION D3(c) BELOW AT LEAST SIXTY (60) DAYS PRIOR TO THE RENEWAL OF THE TERM; OR (b) YOUR LEASE EXPIRES OR IS TERMINATED (IN WHICH CASE, THE MAINTENANCE SERVICE WILL TERMINATE ON THE SAME DAY AS THE LEASE); OR (c) THE RENEWAL IS PROHIBITED BY APPLICABLE LAW.

c. Ending Your Maintenance Service. If you do not wish to renew maintenance service, you must deliver a written notice (including your account number) (the "Termination Notice") by Certified Mail™ to the address listed in section S3.3 above. Your Termination Notice must include your customer account number and lease number (if applicable), and is effective ten (10) business days after PBC receives it. PBC reserves the right not to renew your maintenance service any time and

for any reason. IN THE EVENT YOU ELECT TO TERMINATE MAINTENANCE SERVICES WITHOUT CAUSE PRIOR TO THE EXPIRATION OF THE THEN APPLICABLE SERVICE TERM, NO PRO-RATA REFUND WILL BE PROVIDED, EVEN IF ANY PREPAID HOURS OF SERVICE HAVE NOT YET BEEN PERFORMED BY US.

D4. WARRANTIES; LIMITATION OF LIABILITY

D4.1 System Warranty. The warranty on any System will run for a period of ninety (90) days from the date of delivery or if installed by PBC, then ninety (90) days from the date of installation, or until the System reaches PBC's System usage limits, whichever occurs first.

D5. DELIVERY; INSTALLATION

D5.1 Delivery. Except as otherwise set forth in the Order, you will pay all costs for transporting the System from PBC's facility to the location designated in the Order. We will make commercially reasonable efforts to deliver the System on the delivery date set forth in the Order, but cannot guarantee a specific date.

D5.2. Installation. You must provide a suitable power source, access, and space for installation according to PBC's specifications. You must give us advance notice of any site problems.