



# LOU-TEC

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## PROTECTION PLAN Terms & Conditions

### TERMS & CONDITIONS OF LOU-PROTEC WAIVER PROGRAM IN THE EVENT OF DAMAGE TO LEASED EQUIPMENT

LOU-TEC Group Inc. ("LOU-TEC") offers this waiver program in the event of damage or loss to leased equipment caused by fire, mechanical breakdown, theft or vandalism, called "LOU-PROTEC" PROTECTION PLAN, in accordance with the terms and conditions set out below (the "Program" or "LOU-PROTEC"). Through this Program, LOU-TEC offers to the lessee identified in the lease agreement (the "Lessee") between LOU-TEC and the Lessee (the "Lease Agreement") to waive any remedy against the Lessee for the loss or damage to the leased equipment mentioned in the Lease Agreement (the "Leased Equipment") caused by fire, mechanical breakdowns, theft and/or vandalism, subject to the terms and conditions below and payment by the Lessee of the minimum amount indicated below.

1. The Program is not insurance. The Program is offered to the Lessee in the context of equipment leased from LOU-TEC and applies only to Leased Equipment if the Lessee chose to participate in the Program and subject to the terms and conditions below.
2. The Lessee is free to not participate in the Program if they provide LOU-TEC with valid proof of insurance for a coverage limit equal to or greater than the replacement value of all Leased Equipment, prior to taking possession of the Leased Equipment. The Lessee also undertakes to promptly provide LOU-TEC with proof of any renewal of such insurance.
3. The terms and conditions stipulated in the Lease Agreement for the Leased Equipment and in the account opening agreement (the "Account Opening Agreement"), if applicable, apply hereto, are cumulative and are applicable mutatis mutandis.
4. In the event of loss or damage to the Leased Equipment resulting from fire, mechanical breakdown, theft or vandalism while in the Lessee's possession, LOU-TEC will waive any remedy against the Lessee, subject to the terms and conditions stipulated herein and payment by the Lessee of the minimum amount indicated in section 11.
5. To benefit from the Program, at the time of occurrence of damage to the Leased Equipment, the Lessee must not be in default of complying with the terms and conditions hereof and the Lessee's obligations under the Lease Agreement and Account Opening Agreement, if applicable.
6. The Lessee undertakes to do any and all acts necessary to properly protect the Leased Equipment. Accordingly, they will not leave keys, control boxes, or other easily accessible accessories unattended. The Lessee will ensure that only qualified operators use the Leased Equipment and undertake not to use the Leased Equipment for purposes other than those intended.
7. To avail themselves of the Program, the Lessee undertakes to: (i) notify LOU-TEC of the occurrence of any damage or loss to Leased Equipment covered by the Program, within a maximum of twenty-four (24) hours following the event; (ii) within twenty-four (24) hours following the occurrence of damage or loss, file a report with police authorities; (iii) provide LOU-TEC with the police report number within twenty-four (24) hours following the event and (iv) provide a copy of the official police report within a delay of one week. The Lessee loses the benefit of the Program if they fail to provide the police report within twenty-four (24) hours of its receipt, and in all cases, no later than one week following the occurrence of the event.
8. In consideration for the benefit of this Program, the Lessee agrees to pay an amount equal to 14.5% of the leasing price of any Leased Equipment covered by the Lease Agreement.
9. These fees will be invoiced to the Lessee at each billing until the end of the Lease Agreement. The Lessee accepts and acknowledges that LOU-TEC charges such fees even if the Leased Equipment remains inactive on a site, such as during construction holidays or for any other reason.
10. The Lessee may withdraw from the Program at any time by sending written notice to LOU-TEC by email to: [credit@loutec.com](mailto:credit@loutec.com)
11. In such case, the Lessee must simultaneously provide LOU-TEC with valid proof of insurance confirming that all Leased Equipment is insured with an insurer authorized by the Autorité des marchés financiers for coverage equal to or greater than the replacement value of all Leased Equipment. As of the date of receipt of such notice and valid proof of insurance, LOU-TEC will cease billing the Lessee for the Leased Equipment Program.

#### What the Program covers

12. The Program covers only damage and losses to Leased Equipment caused by fire, mechanical breakdown, theft or vandalism, subject to the terms and conditions set out herein. If such an event occurs, the Lessee will only be required to pay LOU-TEC an amount equal to either:
  - a. in the event of a total loss, 10% of the retail replacement value of the Leased Equipment at the time of the loss; or
  - b. in the event of a partial loss, 10% of the repair costs of the Leased Equipment.
13. The amount owed by the Lessee in the event of application of the Program pursuant to section 11 becomes due under the same payment terms as those described in the Account Opening Agreement, if applicable, and/or the Lease Agreement.

#### What the Program does not cover

14. The Program does not apply to the following damage, thefts, items, losses, and cases:
  - a. those resulting from fault, gross fault, negligence or intentional fault by the Lessee, any of their employees, workers, agents, subcontractors, suppliers, representatives, or any other person under their control, or by any person to whom they have given or allowed access to the Leased Equipment, including, without limitation, those resulting from an operator error, a collision, or a misuse of the Leased Equipment;
  - b. those occurring while the Leased Equipment was at a location other than the place of use specified in the Lease Agreement;
  - c. theft of accessories including, but not limited to, air ducts, electrical cables, blades, welding cables, liquid fuel tanks, harnesses and cords, buckets, and other similar items;
  - d. damage to tires, tubes, tracks, windows, and lights;
  - e. damage to engines or hydraulic and electrical systems due to improper maintenance by the Lessee;
  - f. damages or loss resulting from improper maintenance of the Leased Equipment by the Lessee in breach of the requirements of the Lease Agreement;
  - g. damage to Leased Equipment caused by operators of other moving vehicles or other equipment;
  - h. damage caused by the use or operation of Leased Equipment in breach of obligations under the Lease Agreement, construction sector health and safety laws, building codes, or any other applicable law or regulation related to the Lessee's activities;
  - i. cleaning costs for asphalt, concrete, paint, or epoxy on Leased Equipment and its accessories;
  - j. damage caused to any person or property other than the Leased Equipment leased by the Lessee and covered by the Program.
15. If the Lessee has lost the benefit of the Program for any reason or in cases where the Program does not apply based on the terms and conditions set out above, the Lessee shall indemnify LOU-TEC for any loss or damage caused to the Leased Equipment.
16. If the Lessee loses the benefit of the Program and fails to provide a valid proof of insurance with valid proof of insurance for a coverage limit equal to or greater than the replacement value of all Leased Equipment within twenty-four (24) hours following a request of LOU-TEC to this effect, LOU-TEC shall have the right to terminate the Lease Agreement and to demand the immediate restitution of the Leased Equipment. In such case, the Lessee shall remain responsible to pay for the leasing price of the Leased Equipment provided by the Lease Agreement until the Lease Equipment is returned to LOU-TEC.