

# MASTER SERVICES AGREEMENT

**THIS MASTER SERVICES AGREEMENT v1.04 (the "Agreement") is effective from April 22, 2023**

**SERVICE PROVIDER** – Trac-It Systems Inc. (Doing Business as and herein referred to as Green Bee 3) (the "Service Provider") is a provider of technology consulting, managed services and hosting solutions located at: 25 Edilcan Dr, Unit 5, Concord, Ontario L4K 3S4, and desires to provide the Client the Information Technology Services under the terms described in this Agreement.

**The Client** – (the "Client") wishes to obtain from Green Bee 3 Hardware or Services as detailed in a Quote, Proposal or Statement of Work under the terms described in this Agreement.

## BACKGROUND

**A.** The Client is of the opinion that the Service Provider has the necessary qualifications, experience and abilities to provide information technology services and consulting to the Client.

**B.** The Service Provider is agreeable to providing such information technology services to the Client on the terms and conditions set out in this Agreement.

**IN CONSIDERATION OF** the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the Client and the Service Provider (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

## SERVICES PROVIDED

- The Client hereby agrees to engage the Service Provider to provide the Client with information technology services (the "Services") as described in a separate Proposal, Quote or Statement of Work.
  - Each Proposal, Quote or Statement of Work shall include the following information, if applicable:
    - description of the Services to be performed pursuant to the Engagement;
    - the date upon which the Services will commence and the term of such Engagement;
    - the fees to be paid to Green Bee 3 under the Engagement;
    - the Services implementation plan, including a timetable;
    - Services milestones and payment schedules;
    - any criteria for completion of the Services;
    - procedures for the testing and acceptance of the Services and Deliverables by Client; and
    - any other computer tasks which the Parties may agree on.
    - any other terms and conditions agreed upon by the Parties in connection with the Services to be performed pursuant to such Engagement.
- The Service Provider hereby agrees to provide such Services to the Client.

### **SERVICE PROVIDER'S OBLIGATIONS**

- During the Term, Green Bee 3 shall:
  - Appoint a Green Bee 3 employee to serve as primary contact with respect to this Agreement and who will have the authority to act on behalf of Green Bee 3 in connection with matters pertaining to this Agreement (the "Green Bee 3 Client Success Manager");
  - Appoint other Green Bee 3 Personnel, who shall be suitably skilled, experienced and qualified to perform the Services;
  - Require any Person engaged as sub-contractors of Green Bee 3 (other than Green Bee 3's employees) that provide any Services and Deliverables to Client (each such Person, a "Permitted sub-contractor") to be bound in writing by confidentiality and intellectual property assignment or license provisions similar to those in this Agreement, and, upon Client's written request, to enter into a non-disclosure or intellectual property assignment or license agreement in a form that is reasonably satisfactory to Client.
- Green Bee 3 is responsible for all Its Personnel and for the payment of their compensation, including, if applicable, withholding of income taxes, the payment and withholding of CPP and other payroll taxes, employment insurance, workers' compensation insurance payments and health benefits.
- If Green Bee 3's performance of its obligations under this Agreement is prevented or delayed by any act or omission of Client or their Affiliates, agents, subcontractors, consultants or employees, Green Bee 3 shall not be deemed in breach of its obligations under this Agreement or otherwise liable for any costs, charges or losses sustained or incurred by Client, in each case, to the extent arising directly or indirectly from such prevention or delay.

### **CLIENT'S OBLIGATIONS**

- During the Term, Client shall:
  - Co-operate with Green Bee 3 in all matters relating to the Services and appoint a Client employee to serve as the primary contact with respect to this Agreement and who will have the authority to act on behalf of Client with respect to matters pertaining to this Agreement;
  - Obtain and maintain all necessary licenses and consents and comply with all applicable Law in relation to the Services, the installation of the Green Bee 3 Equipment, the use of Client Materials and the use of the Client Equipment in relation to the Green Bee 3 Equipment to the extent that such licenses, consents and Law relate to Client's business, premises, staff and equipment, in all cases before the date on which the Services are to start;
  - Grant Green Bee 3 the right to send Client employees Newsletters, "Tech Tips" and other email communication; and acknowledge and comply with (1) the current Sales Terms and (2) the current Travel and Expense Policy.

#### **TERM OF AGREEMENT**

- The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect indefinitely until terminated as provided in this Agreement.
- In the event that either Party wishes to terminate this Agreement, that Party will be required to provide 30 days' written notice to the other Party.
- In the event that either Party breaches a material provision under this Agreement, the non-defaulting Party may terminate this Agreement immediately and require the defaulting Party to indemnify the non-defaulting Party against all reasonable damages.
- In the event that Client fails to pay monthly invoice for 2 consecutive months, Green Bee 3 will have all rights to refuse further service until account is brought up-to-date. Client will be issued a warning letter by email stating that continued failure to pay could cause data loss.
- In the event payment agreement has not been made within 90 days of initial default, or payment agreement has not been honored, Green Bee 3 will cancel all licenses consumed by Client, possibly destroying data in the process. Green Bee 3 will not be responsible for Clients potential loss of data.
- Green Bee 3 will adjust fees according to market conditions on an annual basis of no more than 8% per annum.
- This Agreement may be terminated at any time by mutual agreement of the Parties.
- Except as otherwise provided in this Agreement, the obligations of the Service Provider will end upon the termination of this Agreement.

#### **TIME & MATERIALS**

- The Client agrees that unless there is an existing Statement of Work which outlines agreed costs, the client shall be billed on a time and materials basis as follows:
  - Any Materials over \$500 will be invoiced up-front and paid for in full before procuring.
  - Remote Support and Project work shall be billed out at a rate of \$200 per hour.
  - On-Site Support shall be billed at a rate of \$300 per hour with a 2-hour minimum.
  - Emergency, Holiday, and Incident Response requests shall be billed at a rate of \$400 per hour with a 4-hour minimum.

#### **PERFORMANCE**

- The Parties agree to do everything necessary to ensure that the terms of this Agreement take effect.

#### **CURRENCY**

- Except as otherwise provided in this Agreement, all monetary amounts referred to in this Agreement are in CAD (Canadian Dollars).

#### **COMPENSATION**

- Client will be invoiced every month.
- Invoices submitted by the Service Provider to the Client are due within 15 days of receipt.
- Client must pay via Pre-Authorized Debit or Automatic Credit Card Payment.
- Payment for re-occurring services will be taken on the first of the month unless agreed to otherwise.
- Any hardware or software quoted by Green Bee 3, must be paid in full prior to procuring and delivering quoted items.

#### **REIMBURSEMENT OF EXPENSES**

- The Service Provider will be reimbursed from time to time for reasonable and necessary expenses incurred by the Service Provider in connection with providing the Services.
- Pre-approval is not required for expenses.

**INTEREST ON LATE PAYMENTS**

- Interest payable on any overdue amounts under this Agreement is charged at a rate of 2% monthly, 24.00% per annum or at the maximum rate enforceable under applicable legislation, whichever is lower.

**CONFIDENTIALITY**

- Confidential information refers to any data or information relating to the business of the Client which would reasonably be considered to be proprietary to the Client including, but not limited to, accounting records, business processes, and client records and that is not generally known in the industry of the Client and where the release of that Confidential Information could reasonably be expected to cause harm to the Client.
- The Service Provider agrees that they will not disclose, divulge, reveal, report or use, for any purpose, any Confidential Information which the Service Provider has obtained, except as authorized by the Client or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.
- All written and verbal information and material disclosed or provided by the Client to the Service Provider under this Agreement is Confidential Information regardless of whether it was provided before or after the date of this Agreement or how it was provided to the Service Provider.

**OWNERSHIP OF INTELLECTUAL PROPERTY**

- All intellectual property and related materials, that are developed or produced under this Agreement, will be the sole property of the Client. The use of the Intellectual Property by the Client will not be restricted in any manner.
- The Service Provider may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the Client. The Service Provider will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

**RETURN OF PROPERTY**

- Upon the expiry or termination of this Agreement, the Service Provider will return to the Client any property, documentation, records, or Confidential Information which is the property of the Client.
- The client agrees to return any equipment owned by Green Bee 3 within 15 days of termination of agreement.

**CAPACITY/INDEPENDENT CONTRACTOR**

- In providing the Services under this Agreement it is expressly agreed that the Service Provider is acting as an independent Contractor and not as an employee. The Service Provider and the Client acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively a contract for service.

#### **RIGHT OF SUBSTITUTION**

- Except as otherwise provided in this Agreement, the Service Provider may, at the Service Provider's absolute discretion, engage a third party sub-contractor to perform some or all of the obligations of the Service Provider under this Agreement and the Client will not hire or engage any third parties to assist with the provision of the Services.
- In the event that the Service Provider hires a sub-contractor:
  - the Service Provider will pay the sub-contractor for its services and the Compensation will remain payable by the Client to the Service Provider.
  - for the purposes of the indemnification clause of this Agreement, the sub-contractor is an agent of the Service Provider.

#### **AUTONOMY**

- Except as otherwise provided in this Agreement, the Service Provider will have full control over working time, methods, and decision making in relation to provision of the Services in accordance with the Agreement. The Service Provider will work autonomously and not at the direction of the Client. However, the Service Provider will be responsive to the reasonable needs and concerns of the Client.

#### **EQUIPMENT**

- Except as otherwise provided in this Agreement, the Service Provider will provide at the Service Provider's own expense, any and all tools, equipment, cabling, software, replacement parts, supplies and any other items or parts necessary to deliver the Services in accordance with the Agreement.

#### **NO EXCLUSIVITY**

- The Parties acknowledge that this Agreement is non-exclusive and that either Party will be free, during and after the Term, to engage or contract with third parties for the provision of services similar to the Services.

#### **LIMITATION OF LIABILITY**

- In no event shall Green Bee 3 be liable to client or to any third party for any loss of use, revenue, profit or loss of data or diminution in value, or for any consequential, incidental, indirect, exemplary, special, or punitive damages whether arising out of breach of contract, tort (including negligence), or otherwise, regardless of whether such damage was foreseeable and whether or not Green Bee 3 has been advised of the possibility of such damages, and notwithstanding the failure of any agreed or other remedy of its essential purpose.
- In no event shall Green Bee 3's aggregate liability arising out of or related to this agreement, whether arising out of or related to breach of contract, tort (including negligence), or otherwise, exceed the aggregate amounts paid or payable to Green Bee 3 pursuant to the applicable proposal in the twelve (12) month period preceding the event giving rise to the claim.
- In no event shall Green Bee 3 be liable to client for anything which Green Bee 3 does not have exclusive management access to.

**FORCE MAJEURE**

- Neither party shall be liable for any failure of or delay in performance of its obligations under this Agreement to the extent such failure or delay is due to circumstances beyond its reasonable control, including, without limitation, acts of God, acts of a public enemy, pandemics, fires, floods, wars, civil disturbances, sabotage, accidents, insurrections, terrorism, blockades, embargoes, storms, explosions, labor disputes (whether or not the employees' demands are reasonable and within the party's power to satisfy), acts of any governmental body, failure or delay of third parties or governmental bodies from whom approvals, authorizations, licenses, franchises or permits must be obtained, or inability to obtain labor, materials, equipment, or transportation or illness of Green Bee 3's technical staff (collectively referred to herein as "Force Majeure"). Each party shall use reasonable efforts to minimize the duration and consequences of any failure of or delay in performance resulting from a Force Majeure event.

**PERSONAL COMPUTERS and/or NETWORKS**

- If or when Client transitions to home or alternative networks, Green Bee 3 will make best effort to make connections and serviceability. However, home or alternative networks may not have adequate internet connectivity and equipment to effectively work. Green Bee 3 is not responsible for inadequacies in those home or alternative networks or to secure those connections. Home equipment will not be as secure and may not have Green Bee 3's software and security features. Green Bee 3 is not responsible for the security of the home or alternative networks. Work on a home or alternative network unless otherwise included is outside the scope of this Agreement and Green Bee 3 may charge it's then hourly rate for work on home or alternative networks. Green Bee 3 will charge for additional software installed at home or alternative networks as needed.
- In the event of a Force Majeure Green Bee 3 is not required to have technicians work during periods or at places where their safety or health could be in jeopardy and in any event will not require technicians to go on site.

**NOTICE**

- All notices, requests, demands or other communications required or permitted by the terms of this agreement will be given in writing and delivered to the Parties at their primary place of business or to such other address as either party may from time to time notify the other.

**INDEMNIFICATION**

- Except to the extent paid in settlement from any applicable insurance policies, and to the extent permitted by applicable law, each Party agrees to indemnify and hold harmless the other Party, and its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from or arise out of any act or omission of the indemnifying party, its respective directors, shareholders, affiliates, officers, agents, employees, and permitted successors and assigns that occurs in connection with this Agreement. This indemnification will survive the termination of this Agreement.

**MODIFICATION OF AGREEMENT**

- Any amendment or modification of this Agreement or additional obligation assumed by either Party in connection with this Agreement will only be binding if evidenced in writing signed by each Party or an authorized representative of each Party.

**TIME OF THE ESSENCE**

- Time is of the essence in this Agreement. No extension or variation of this Agreement will operate as a waiver of this provision.

**ASSIGNMENT**

- The Service Provider will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the Client. Such consent will not be unreasonably withheld. This assignment right only applies to persons, firms, or corporations that acquire the Service Provider in a purchase, buyout, asset purchase or corporate restructure arrangement. The assignee of the Service Provider will be held by all provisions in the Agreement separately and together.

**ENTIRE AGREEMENT**

- It is agreed that there is no representation, warranty, collateral agreement, or condition affecting this Agreement except as expressly provided in this Agreement.

**TITLES/HEADINGS**

- Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

**GENDER**

- Words in the singular mean and include the plural and vice versa. Words in the masculine mean and include the feminine and vice versa.

**GOVERNING LAW**

- This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario.

**SEVERABILITY**

- In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

**WAIVER**

- The waiver by either Party of a breach, default, delay, or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions.