

TERMS AND CONDITIONS GOVERNING PURCHASES

I. INTRODUCTION

Sales to Descartes are subject to the following terms and conditions.

"Descartes," "we" or "us" means The Descartes Systems Group Inc., a Canadian corporation and any of its subsidiaries and affiliates. "Supplier" ("You") shall include you and any of your affiliates that sell products or otherwise provide goods and / or services to us.

UNLESS WE HAVE AGREED TO DIFFERENT TERMS IN AN EXISTING WRITTEN AGREEMENT WITH YOU THAT GOVERN THE GOODS AND/OR SERVICES THAT ARE DESCRIBED IN THE PO, BY ACCEPTING PAYMENT UNDER OUR PO (EITHER IN WRITING, ELECTRONICALLY OR VIA TELEPHONE); OR BY SHIPPING PRODUCTS OR COMMENCING TO PERFORM SERVICES ORDERED UNDER OUR PO YOU ACKNOWLEDGE THAT YOU HAVE READ, ACCEPT AND INTEND TO BE BOUND BY THESE TERMS AND CONDITIONS FOR THE PURPOSES OF THE PO.

II. PURCHASES

A. Order Acceptance and Acknowledgement. Each Purchase Order or Framework Order (collectively "PO") shall be deemed accepted by Supplier if any shipment of products is made, performance of services commences or if the PO is acknowledged by Supplier or Supplier accepts payment under the PO. Supplier will not cancel a PO unless it has provided at least thirty (30) days prior written notice to Descartes that it is unwilling to or will no longer accept a PO after a specified date. All products or services must meet all specifications provided by Descartes from time to time. Supplier must use Descartes' form of electronic receipt and provide weigh-in/weigh-out calculations if applicable.

B. Prices. Changes to Supplier prices must be communicated to Descartes at least sixty (60) days prior to the planned effective date. Supplier shall provide the

proposed price changes in an electronic excel file that includes the current price, the proposed new price, the percent variance (+/-) between the two prices and rationale substantiating the price change. All price changes must be accepted by Descartes in writing prior to shipment or invoice of product at the new price in order to be effective for such products.

C. MSDS Documentation and Licensing.

1. Where applicable, in accordance with local laws, Material Safety Data Sheet (MSDS) documentation (or local equivalent) must be supplied to the Safety Compliance Representative at Descartes' Waterloo facility at the time of the initial delivery for all materials so classified by OSHA regulations. MSDS documentation for materials that are provided on a repetitive basis must be updated by Supplier on an annual basis.

2. Supplier shall obtain all licenses and governmental approvals required by applicable laws, rules or regulations necessary for the shipment or delivery of the products sold by Supplier to Descartes. Supplier shall protect, defend, indemnify and hold Descartes and its agents, employees, directors, and affiliates harmless from and against any losses arising out of Supplier's failure to comply with the terms and conditions contained in this paragraph.

D. Age-Sensitive Materials. All materials provided by Supplier to Descartes that are susceptible to performance degradation over time must be clearly identified on the product packaging and associated shipping paperwork as 'Age-Sensitive', along with any suggested expiration dates. Under no circumstances is Supplier to provide Age-Sensitive material that has less than 1

year of remaining shelf-life unless pre-authorized by Descartes in writing.

E. Payment Terms. Payment of Supplier's invoice is subject to adjustment for over-shipment, shortage and rejection. Individual invoices must be issued for each shipment applying to a PO unless otherwise negotiated or stated in such PO. Such invoices must state (a) the P.O. number, (b) the quantity of each ordered product shipped, (c) description of each ordered item shipped and (d) price of each ordered item shipped. Any applicable sales tax, duty, excise tax, use tax or other similar tax or charge, for which Descartes is responsible and for which Descartes has not furnished an exemption certificate, must be itemized separately on each invoice

F. Delivery Terms

1. All shipments will be DAP (Incoterms 2010) at Descartes' facility indicated in the PO. Descartes shall not be responsible for failure or delay in delivery prior to receipt at Descartes' facility indicated in the PO. Supplier is responsible for filing all freight or shipment claims arising prior to delivery of the products at Descartes facility indicated in the PO.

2. Product deliveries shall be completed strictly in accordance with the quantities and schedules specified in the PO. If, at any time, it appears Supplier may not meet the defined delivery schedule, Supplier shall immediately notify Descartes of the estimated duration of and reasons for any delay. In such event, Supplier shall make every effort to mitigate the delay (or such portion thereof as Descartes requires) by appropriate methods, including incurring expenditures for overtime and expedited shipment by air or other means of expedited transport. Any costs incurred by Supplier to avoid such delay shall be borne solely by Supplier, unless the delay in delivery arises out of causes beyond the control and without the fault or negligence of

Supplier or its subcontractors. The delivery date(s) will not be advanced or delayed without agreement between the parties.

3. Supplier shall pack, mark and ship all goods and supplies in accordance with the requirements of any PO, all applicable transportation regulations and good commercial practice for protection and shipment of the purchased products. Supplier shall secure the transportation service and rates most advantageous to Descartes as long as procurement thereof shall be consistent with Supplier's obligations. No adjustments shall be made by Supplier to any applicable transportation or other surcharges unless advance notice is provided to Descartes in writing. No separate or additional charge shall be payable by Descartes for containers, crating, boxing, bundling, dunnage, drayage or storage unless specifically stated in a PO. Any expense, damage or liability incurred by Descartes as a result of improper preservation, packaging, packing, marking or method of shipment shall be reimbursed by Supplier upon demand. A packing list showing order number (and other identifiable demarcations, if applicable) shall be included with each shipment, and each container shall be marked to show the order number. Any transportation charges paid by Supplier for which Supplier is entitled to reimbursement shall be shown on Supplier's invoice as a separate line item and the receipted freight bill shall be attached thereto.

G. Inspection, Rejection and Remedy of Defects. Descartes shall have the right to inspect and verify any item furnished pursuant to a PO. Inspection of product by Descartes after delivery without complaint shall constitute final acceptance, except as regards to latent defects or those that aren't visible until the product is used during the production process. If Descartes rejects any goods, Descartes shall then be relieved of any obligation to pay that portion of any Supplier invoice

and shall be entitled to require Supplier to provide replacement goods that comply with the terms of the PO.

H. Loss or Damage Caused by Seller.

In the event Supplier, its employees, agents and/or subcontractors enter Descartes' premises or those occupied by or under the control of Descartes in the performance of a PO, Supplier shall fully compensate, indemnify and hold harmless Descartes, its officers, employees, agents and contractors, for or from damage or injury of any sort to any person or property, any claim, charge, liability, obligation, penalty, damages, costs or expenses (including reasonable attorneys' fees incurred in connection therewith) arising out of or in connection with any act or omission of Supplier, its employees, agents and/or subcontractors on or about such premises. Without in any way limiting the foregoing, Supplier (and its subcontractors at all tiers) shall maintain liability insurance in reasonable limits covering the obligations set forth above and shall maintain proper workmen's compensation insurance covering all employees, and contractors performing a PO. In no event shall a liability policy providing less than \$1 million of coverage (per occurrence) be deemed reasonable for purposes of complying with the requirements of this paragraph. All employees, agents and subcontractors of Supplier who enter Descartes' facility must be appropriately attired in correct safety and protection equipment. Individuals who fail to wear appropriate equipment will be asked to leave the premises immediately.

I. Notification of Changes. Descartes must be notified in advance of any proposed changes to Supplier's manufacturing processes, critical process sources, equipment or facilities that may impact the quality, acceptability, reliability or on time delivery of the product(s) provided to Descartes. This includes any proposed relocations of manufacturing or assembly facilities that include Descartes

products. Any such changes have the potential to negatively impact the flow of acceptable product to Descartes or Descartes' customers and must be planned and coordinated between Supplier and Descartes prior to implementation. Failure to do so may result in termination with 'Cause' of any PO.

III. RISK OF LOSS AND LIABILITY

A. Risk of Loss. Supplier assumes all risk of loss prior to DAP (Incoterms 2010) delivery of the products to Descartes' facility indicated in the PO.

B. Default. Should Supplier become insolvent or go into liquidation or have a receiver appointed or otherwise be found to be in such a financial position that it may reasonably be assumed that it will not be able to fulfill its obligations, Descartes shall have the right to cancel all future orders if Supplier has not, within ten (10) days after notice by Descartes, furnished a satisfactory guarantee for its fulfillment of its obligations.

C. Indemnification. Supplier shall protect, defend, indemnify and hold Descartes and its agents, directors, employees and affiliates harmless from any losses, costs, expenses (including attorneys' fees and expenses), claims (including claims of Descartes' employees), damages, demands, liabilities, suits, actions, recoveries and judgments of every nature and description (collectively, "losses") experienced by Descartes arising out of (i) a breach of any representation, warranty or covenant contained in these terms; or (ii) the sale or transportation of products by Supplier or its designees, agents or employees, whether or not such losses are caused by the negligence (sole or concurrent), and whether or not such losses arise out of strict liability, negligence, warranty or any other cause of action, to the fullest extent permitted by applicable law.

D. Disclaimer of Consequential Damages. SUPPLIER ACKNOWLEDGES AND AGREES, THAT TO THE EXTENT PERMITTED UNDER APPLICABLE LAWS, IN NO EVENT SHALL DESCARTES HAVE ANY LIABILITY TO SUPPLIER IN CONNECTION WITH THE PO FOR SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, MULTIPLE, CONSEQUENTIAL, OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF GOODWILL OR BUSINESS PROFITS, LOSS OF REVENUE, WORK STOPPAGE, OR ANY DAMAGES IN THE NATURE OF LOST OPPORTUNITY COSTS, WHETHER SUCH DAMAGES ARE ALLEGED IN TORT, CONTRACT OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

IV. GENERAL

A. Force Majeure. Descartes and Supplier are excused from performance, delay or failure in performance due to causes beyond such party's reasonable control, including, without limitation, acts of God, fires, floods, wars, sabotage, accidents, labor unrest or shortages, governmental laws, ordinances, rules and regulations (whether valid or invalid), the inability to obtain materials, equipment, transportation, or any other similar or different contingency that is outside of such party's reasonable control.

B. Public Releases and Confidentiality. Supplier shall not, without first obtaining the written consent of Descartes, in any manner advertise or publish the fact that Supplier has furnished or contracted to furnish Descartes, or disclose any information contained in or connected with a PO to any person or entity other than Supplier and Supplier's agents and subcontractors, except as expressly allowed (if at all) herein, and except as may be required to perform the PO. All details of POs, including prices, specifications, discounts, etc., between

Descartes and Supplier are considered proprietary and confidential information and as such, may be shared only with appropriate Descartes personnel and guarded against open disclosure, including, without limitation to any third parties.

C. Compliance with Laws. Supplier will ensure that, in the performance of any PO, it will comply with all applicable laws and shall hold Descartes harmless from any liability resulting from failure of such compliance. If Descartes advises Supplier that certain products or goods are being sold by Supplier to Descartes pursuant to a subcontract or general contract with the federal government of the United States of America or one of its agencies to which the FAR apply, Supplier agrees to comply with all flow-through clauses of the FAR required of Supplier under such subcontract or will advise Descartes of its inability to comply with the FAR prior to accepting or executing such a subcontract.

D. Compliance with Business Partner Code of Conduct. Supplier agrees to operate and transact business in a manner that complies with the [Descartes Business Partner Code of Conduct](#), as may be amended from time to time. Where Supplier has implemented its own code of conduct which is comparable to the Descartes Business Partner Code of Conduct in all material respects, adherence to the Suppliers own code of conduct will constitute compliance with this section. Supplier agrees that, if requested, it will certify, on an annual or other basis, compliance with this subsection D.

E. Anti-Bribery and Corruption (ABC). In addition to compliance with any applicable ABC laws, Supplier:

1. shall not provide bribes or kickbacks to public officials;
2. shall not provide bribes or kickbacks to anyone in the private sector;

3. represents and warrants that it has no affiliation with any foreign or domestic public officials;
4. if requested, will certify, on an annual or other basis, compliance with anti-corruption laws and this subsection E;
5. shall maintain detailed financial books and records in accordance with applicable ABC laws;
6. shall promptly notify Descartes of any changes in circumstances that would make its representations or warranties inaccurate or untrue.

F. Termination. Descartes may terminate all or part of any PO for 'Cause' (failure to meet performance expectations or other business commitments, or to resolve issues after repeated notification of default) effective ten days following written notice to Supplier. Descartes may terminate any PO immediately upon written notice to Supplier where Descartes becomes aware of Suppliers' non-compliance with ABC laws, that Supplier is on denied trade list, and/or a breach of the preceding subsections D or E. Any such written notice of termination shall specify the cause, effective date and the extent of any such termination.

Disposition of liability for remaining inventory or work-in-process will be negotiated between Descartes and Supplier. Descartes or Supplier may terminate all or part of a PO for any reason effective thirty days after formal written notice to the other party. Disposition of liability for remaining inventory or work-in-process will be negotiated between Descartes and Supplier in good faith.

G. Miscellaneous

1. Descartes expects all employees of Supplier to conduct themselves and associated business transactions with the highest level of honesty, integrity and ethical behavior at all times. Failure to do

so may result in grounds for termination of any PO by Descartes.

2. These terms and conditions shall govern and apply to any purchases made by Descartes from Supplier, or any division or predecessor thereof, at any time whatsoever, whether past, present or future. In the event that any of these terms and conditions conflict with terms of an existing agreement between Descartes and Supplier for the said products or services, the terms and conditions of such agreement shall prevail but only to the extent of any inconsistency.

3. Unless otherwise agreed to by us pursuant to an existing written agreement between Descartes and Supplier for the provision of services or products that are the subject matter of a PO, these terms and conditions are the entire embodiment of the terms and conditions governing purchases by Descartes from Supplier and may not be altered, supplemented, or amended by the use of any other document unless otherwise agreed to in a written agreement signed by both you and us. No course of action on the part of Descartes or any of its agents or affiliates shall be deemed to waive or modify these terms and conditions.

4. All PO's shall be governed by the internal laws of the jurisdiction of incorporation of the Descartes entity purchasing the goods and/or services, without regard to conflicts of laws provisions and the parties hereby submit to the sole and exclusive jurisdiction of the courts in that jurisdiction. The parties specifically disclaim the United Nations Convention on Contracts for the International Sale of Goods.

5. Supplier may not transfer, assign or subcontract its rights or obligations under these terms and conditions without the prior written consent of Descartes. These terms and conditions shall be binding upon and inure to the benefit of Descartes



and Supplier and their respective

permitted successors and assigns.