

Cancellation Terms and Conditions

Each purchase order placed by a Value Added Reseller on Kilowatt Labs, Inc. ("Kilowatt") or its Affiliate for Products (hereinafter defined), is subject to these standard cancellation terms and conditions ("Cancellation Terms"). The VAR shall be deemed to be bound by these Cancellation Terms by placing its purchase order on Kilowatt.

1. **Definitions.** In these Cancellation Terms, the following definitions apply:

"Affiliate" means an authorized representative of Kilowatt.

"Delivery Date" means the date of delivery of Product as specified in a Purchase Order.

"Products" means the products as defined in the VAR Agreement.

"Purchase Order" means the purchase order between the VAR and Kilowatt or an Affiliate, for the purchase and sale of Products, that has been accepted by Kilowatt or its Affiliate, pursuant to the VAR Agreement, and to which these Cancellation Terms are incorporated by reference.

"VAR" means a Value Added Reseller of Kilowatt who has signed a VAR Agreement.

"VAR Agreement" means the VAR Agreement between the VAR and Kilowatt.

2. **Delivery of Products.** Pursuant to the VAR Agreement, Kilowatt shall endeavor to deliver the Products by the Delivery Date. Unless otherwise agreed, title shall pass to the VAR upon full payment of the value of the Products.

3. **Price/Payment Terms.** Price and payment terms for the Products will be set out in the Purchase Order.

4. **Cancellation.** Kilowatt or the VAR may cancel a Purchase Order, as follows:

- a. If cancelled by Kilowatt or its Affiliate, at any time, then Kilowatt or its Affiliate shall return any advance paid by the VAR against the cancelled Purchase Order, in full, within 30 days of the date of cancellation of the Purchase Order.
- b. If cancelled by the VAR within 14 days of acceptance of the Purchase Order by Kilowatt or its Affiliate, then Kilowatt or its Affiliate shall return any advances paid by the VAR in full, within 30 days of the date of cancellation of the Purchase Order.
- c. If cancelled by the VAR after 14 days of acceptance by Kilowatt or its Affiliate, then Kilowatt or its affiliate shall charge a cancellation fee of 20% of the value of the Purchase Order and return any balance amount outstanding from any advance received against the Purchase Order, within 30 days of the date of the cancellation of the Purchase Order. In case the VAR has not paid an advance against the Purchase Order or the advance paid is insufficient to cover the cancellation fee, the VAR will pay the cancellation fee in full or the amount outstanding after adjusting the advance paid, as the case may be, within 30 days of the cancellation of the Purchase Order.