



TERMS AND CONDITIONS OF SALE

1. **General.** The following terms and conditions (the “**Terms and Conditions**”) apply to the sale of vehicle safety-inspection apparatus or other goods (collectively “**Product**”) by NSSL to a buyer (the “**Buyer**”), and will be deemed to be included and part of any purchase order, invoice or similar purchase document and replace and supersede all other terms and conditions referred to, offered or relied on by the Buyer whether in negotiation or at any stage in the dealings between NSSL and the Buyer, including any standard or printed terms tendered by the Buyer.
2. **Pricing.** All prices quoted by NSSL to a Buyer are in Canadian Dollars (CDN) unless otherwise specified, and all payments must be made by the Buyer in Canadian Dollars unless otherwise agreed in writing by NSSL. Unless otherwise stated the purchase price excludes any excise tax (GST) and any tax or duty relating to manufacture, transport, export, import, sale or delivery of the Product.
3. **Payment Terms.** Payment of the Product in full by the Buyer is required prior to delivery.
4. **Delivery.** NSSL will deliver the Product to the Buyer ex works (EXW) at the NSSL shipping facility in Kamloops, British Columbia.
5. **Inspection.** The Buyer will inspect the Product upon receipt and within 72 hours thereof advise NSSL in writing of its rejection of any Product which is not in accordance with the description or specifications stipulated in a purchase order. NSSL will thereafter do all things reasonably necessary to rectify the deficiency.
6. **Title.** Title to the Product will pass to the Buyer upon receipt of payment in full by NSSL.
7. **Risk.** Risk in the Product will pass to the Buyer when the Product is set aside for Buyer’s delivery in accordance with section 4 above.
8. **Technical Advice and Reprogramming Services.** At the Buyer’s request NSSL (or a representative it may designate) may provide certain:
 - (1) technical advice; and/or
 - (2) customized programmingin respect of the use and/or installation of the Product.

THE BUYER ACKNOWLEDGES AND AGREES THAT THE FOREGOING SERVICES ARE PROVIDED AT THE SOLE DIRECTION, RESPONSIBILITY AND RISK OF THE BUYER AND NSSL MAKES NO ASSURANCE OR

WARRANTY, EXPRESSED OR IMPLIED, AS TO THE SAME.

9. **Indemnity.** The Buyer agrees to indemnify, save harmless and defend NSSL and NSSL's directors, officers, employees and agents from and against all claims by any third party in respect of or in any way relating to the use or installation of the Product including, without limitation, any claims relating to any breach of contract, negligence or other tort or breach of statutory or other duty by NSSL.
10. **Warranty.** NSSL WARRANTS THAT THE PRODUCT WILL BE FREE FROM DEFECT IN MATERIALS AND WORKMANSHIP FOR A PERIOD OF 1 YEAR FROM THE DATE OF PURCHASE. This warranty does not cover any damage, deterioration or malfunction of the Product resulting from alteration, tampering, modification, improper or unreasonable use or maintenance, misuse, abuse, accident, neglect, or acts of nature. In order to pursue any remedy under this warranty Buyer must provide to NSSL (or its authorized reseller from whom the Buyer purchased the Product) written notice of the defect and the original proof of purchase. NSSL will thereafter, and at its sole option, provide one or more of the following remedies:
 - (1) repair or facilitate the repair of the defective Product within a reasonable period of time, free of any charge to the Buyer;
 - (2) replace the Product with a direct replacement or similar product deemed by NSSL to perform substantially the same function as the original Product; or
 - (3) issue a refund of the original purchase price less a reasonable amount for usage.

THIS WARRANTY AND THE REMEDIES SET FORTH ABOVE ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, REMEDIES AND CONDITIONS, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED. TO THE MAXIMUM EXTENT PERMITTED BY LAW NSSL SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. **Limitation of Liability.** THE MAXIMUM LIABILITY OF NSSL TO THE BUYER FOR ANY CLAIM OR ACTION ARISING IN CONNECTION WITH THE PRODUCT, REGARDLESS OF FORM AND WHETHER IN TORT OR CONTRACT, WILL BE LIMITED TO THE AMOUNT OF THE PURCHASE PRICE PAID BY THE BUYER TO NSSL FOR THE PRODUCT. IN NO EVENT WILL NSSL BE LIABLE FOR INDIRECT, SPECIAL, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OF ANY KIND HOWEVER ARISING.
12. **Force Majeure.** NSSL will not be responsible or liable for any loss or damage incurred by the Buyer resulting from any causes beyond the reasonable control of NSSL including, but without limitation, acts of God, war, the order of any civil or military authority, insurrection, fire, flood or other weather-related delays, delays in transportation of the Product, unavailability of goods, manufacturing delays, sabotage or labour disputes.

13. **Confidential Information.** NSSL and the Buyer each recognize and agree that they may exchange now or in the future Confidential Information (as defined below) for evaluating the Product, negotiating and consummating a purchase order for the Product and/or facilitating provision of the Services (collectively the “**Purpose**”) and following will apply:

- (1) in this section 13 “**Confidential Information**” means all non-public, confidential or proprietary information disclosed by one party (the “**Disclosing Party**”) to the other party (the “**Receiving Party**”) at any time including, without limitation, operational, employee, technical and other information and all data and other documents and materials in whatever form maintained. Confidential Information will not include information which:
 - (a) is or becomes part of the public domain without breach of the provisions of this section 13;
 - (b) was known to the Receiving Party on a non-confidential basis prior to disclosure hereunder;
 - (c) is approved for release by written authorization of the Disclosing Party; or
 - (d) is required to be disclosed by law or legal process.
- (2) The Receiving Party agrees that it will:
 - (a) not disclose, and will employ reasonable efforts to prevent the disclosure of, Confidential Information;
 - (b) maintain at least the same secrecy and security with respect to the Confidential Information as it maintains with respect to its own operations, finances and other proprietary business information;
 - (c) not use the Confidential Information for any purpose other than the Purpose;
 - (d) not reverse engineer, de-compile, or disassemble any samples, prototypes, software or other physical objects which embody Confidential Information or permit any third party to do the same;
 - (e) not use Confidential Information to manufacture, or enable manufacture by a third party, products that are derived from the Disclosing Party’s Confidential Information or product;
 - (f) promptly notify the Disclosing Party upon discovery of any unauthorized use or disclosure of the Confidential Information and take reasonable steps to regain possession of the Confidential Information and prevent further breach of the terms of this section 13;
 - (g) not copy or reproduce any Confidential Information without the

Disclosing Party's express written permission, except for such copies as may reasonably be required to carry out the Purpose; and

- (h) promptly return to the Disclosing Party, upon request, all Confidential Information and all copies thereof. Notwithstanding the return or destruction of the Confidential Information, the Receiving Party will continue to be bound by its obligations of confidentiality hereunder.
 - (3) Notwithstanding the foregoing, the Receiving Party may disclose Confidential Information to its directors, senior management, agents and advisors who need to know the Confidential Information to carry out the Purpose.
 - (4) All Confidential Information, including all drawings, documents and other tangible manifestations of Confidential Information and all copies and reproductions thereof, will remain property of the Disclosing Party.
- 14. Intellectual Property Rights.** All intellectual property rights produced from or arising as a result of the performance by NSSL of its obligations to the Buyer will, insofar as not already vested, become the absolute property of NSSL, and the Buyer will do all that is reasonably necessary to ensure that such rights vest in NSSL by the execution of appropriate instruments or the making of agreements with third parties.
- 15. Waiver.** The failure by either party to enforce at any time or for any period any one or more of the Terms and Conditions herein will not be a waiver of them or of the right at any time subsequently to enforce these Terms and Conditions.
- 16. Severability.** If any term or provision of these Terms and Conditions is held invalid, illegal or unenforceable such provision will be severed, and the remainder of the provisions hereof will continue in full force and effect as if these Terms and Conditions had been agreed with the invalid, illegal or unenforceable provision eliminated.
- 17. Governing Laws.** These Terms and Conditions will be governed by and construed in accordance with the laws of the Province of British Columbia and Canada. The venue of any proceedings taken in respect of the Product and/or these Terms and Conditions will be in Kamloops British Columbia. The United Nation Convention of Contracts for the International Sale of Goods will not apply to these Terms and Conditions.