

Standard Terms and Conditions for Engineering, Consulting and Manufacturing Services

These Standard Terms and Conditions, together with our proposals, quotations or purchase order issued by Nelsen Technologies Inc. ("NTI") make up the agreement (the "Agreement") between the named Client and NTI.

- 1. Services.** NTI will perform the services defined in its proposal, quotation or purchase order (the "Services"). Any request that requires extra work or additional time or increases in NTI's costs will require an amendment or change order agreed to between the parties.
- 2. Standard of Care.** NTI will perform the Services in accordance with the generally accepted professional engineering practices using reasonable care and skill consistent with that ordinarily exercised by members of the profession under similar conditions. No other standards or warranties, express or implied, including warranties of marketability or fitness for a particular purpose apply. In the event of any breach of this warranty, NTI's sole and exclusive obligation will be to correct or re-perform the deficient Services or, at NTI's option, to refund the amount paid for the deficient service.
- 3. Prices/ Taxes.** Prices for the Services are subject to escalation in the event of an increase in the costs associated with the project. Unless otherwise agreed to, NTI's prices do not include sales or other taxes.
- 4. Payment Terms.** Client shall provide payment for the Services provide within 30 days of receipt of invoice. For Services in excess of \$10,000, progress payments will be required. Interest shall accrue on overdue accounts at a rate of 25% per annum.
- 5. Intellectual Property.** Each party shall retain ownership of all intellectual property it had prior to the commencement of the Services however, NTI shall own exclusively all rights in any ideas, inventions or works of authorship created in or resulting from the Services, including but not limited to all patent rights, copyright, moral rights, rights in proprietary information, trademark rights and other intellectual property rights and Client will execute all assignments as necessary to achieve that result. For the purpose of this Agreement, NTI shall grant the Client a non-exclusive, non-assignable, non-transferrable license to use NTI intellectual property embedded in the Services for the Client's internal business purposes only.
- 6. Confidentiality.** The parties and their employees, officers, subcontractors and agents shall treat any information acquired as a result of this Agreement in strict confidence and with the care and security required to ensure that it is not disclosed or made known to any person, except with the written consent of each other. This section does not apply to information that is publicly available or becomes publicly available without breach of this section.
- 7. Limitation of Liability.** NTI does not assume any liability or responsibility for losses or damages such as personal injuries and property damage except and only to the extent directly cause by the willful or negligent misconduct of NTI in the course of performing the Services. In no event shall NTI's aggregate liability for any reason, in connection with any claim asserted, exceed the amount paid for the Services. NTI shall not be held responsible or liable for any loss, damage or delay caused by accidents, strikes, fires, floods or other circumstances or causes beyond its reasonable control, including actions taken by Client or other third parties including suppliers or subcontractors. In no event shall NTI be liable for indirect, incidental, special, punitive or consequential damages including, without limitation, damages relating to reputation, lost business opportunities, lost profits, goodwill, downtime, overhead expenses, loss of use, business interruption, data loss or other economic loss.
- 8. Indemnity.** Client shall defend, indemnify and hold harmless NTI and its employees, officers and directors from all third party claims, demands, actions or costs, including legal costs on a solicitor-client basis, arising out of or are related to this Agreement or the Services, except to the extent they are caused by the indemnified party's negligence.
- 9. Insurance.** During the provision of the Services, NTI shall maintain the following workers compensation, commercial general liability, automobile liability and professional liability insurance in the following minimum amounts:
Workers Compensation: Statutory Minimum
Commercial General Liability: \$5,000,000.00
Automobile Liability: \$2,000,000.00
Professional Liability Insurance: \$2,000,000.00
Cancellation. Customer may cancel an order for Services upon written notice to NTI and the Client shall pay for all Services provided to the effective date of termination plus a cancellation charge of \$500.00.
Independent Contractor. The relationship of NTI and the Client in performing the Services under this Agreement is that of an independent contractor, and nothing in this Agreement is to be construed as creating an agency, partnership, joint venture or employment relationship between the parties.
Other. (1)This Agreement shall be governed Alberta law and the parties shall attorn to the jurisdiction of the courts of the Province of Alberta.(2) The terms and conditions of this Agreement are severable to the extent that any one that may be contrary to the laws of Alberta shall be deemed to be modified to comply with those laws, but every other term and condition shall remain valid.(3)Time is of the essence of this Agreement.(4)A waiver of any breach of a term or condition of this Agreement shall not bind the party giving it unless it is in writing. A waiver that is binding shall not affect the rights of the party giving it with respect to any other or future breach.(5)Each party warrants that it has the authority to enter into this Agreement, and that this Agreement does not contravene any law or contract to which it is subject.(6)The Client shall not assign this Agreement without the prior written consent of NTI.(7)This Agreement is binding on the parties' respective successors and permitted assigns and subcontractors.(8)These Terms and Conditions shall prevail over any inconsistencies in the proposal, quotation or purchase order, unless specifically identified as modifications to these Terms and Conditions (9)This Agreement contains the entire agreement between the parties concerning the subject matter of this Agreement and supersedes any prior agreements between the parties, and no other understandings or agreements, written or verbal, exist between the parties.(10)The parties may amend or modify this Agreement only by mutual written agreement signed by the parties.(11) Notwithstanding any other provisions of this Agreement, sections 4, 5, 6, 7, 8 and 9 of this Agreement shall survive this Agreement and continue to bind the parties.(12) The headings in this document have been included for convenience only and they do not define, limit or enlarge the scope or meaning of this document or any part of it.(13) In this Agreement words in the singular include the plural and words in the plural include the singular.

