

SIGHTLINE PROCESS CONTROL INC.
TERMS AND CONDITIONS FOR SALES, SERVICES AND PRODUCT WARRANTY

All Sightline products or services purchased from or provided by Sightline, or its authorized representative, are subject to the following terms and conditions.

1. **Quotations:** Any drawings, specifications, notes or other data provided with any quotation furnished by Sightline shall be deemed to be part thereof. Quotations furnished by Sightline are not intended as and shall not be construed as constituting an offer to the buyer. Any quotation provided by Sightline is subject to, and shall not become binding upon Sightline until Sightline's acceptance of buyer's order, subject to these terms, without qualification. To the extent that these terms might be treated as an acceptance of buyer's prior offer, such acceptance is expressly made on condition of buyer's assent to these terms, without qualification. All quotations shall expire sixty (60) days from the date of issuance unless otherwise stated on the quote. Quotations that include time or manpower support are estimates only, based upon information available to Sightline and provided by the buyer. Such estimates do not constitute a guarantee that the required service or product will be delivered within the stated time period or at the stated cost.

2. **Modifications to Orders; Changes:** All requests for order modifications must be submitted in writing to Sightline and will not bind Sightline unless agreed to in writing by an authorized Sightline signing officer. No other party, including Sightline distributors, resellers, integrators, agents, representatives, employees or contractors, are authorized to approve order modifications. Sightline strives to design, supply and implement effective solutions to meet the requirements of its' customers.

Accordingly, Sightline reserves the right to introduce improvements, enhancements, modifications or substitutions for any services, products or product components supplied, notwithstanding any specific provision of these terms or a quotation, provided that such modification or substitution maintains or contributes to an improvement in the overall performance of the product or service.

3. **Payment and Currency:** Payment shall be Net thirty (30) days from the date of the Sightline invoice. All product prices and amounts payable shall be payable in the invoices source currency unless otherwise specified in the applicable invoice.

4. **Invoicing:** Invoices for products and services shall be delivered to buyer as follows:

- (a) Orders consisting only of spare parts or third-party components shall be invoiced upon shipment, payable net thirty (30) days from the invoice date without holdback;
- (b) Orders consisting only of professional installation services only including support, integration and commissioning of Sightline systems shall be invoiced as incurred;
- (c) Orders for complete systems and/or system upgrades shall be invoiced on a milestone basis as follows with each milestone payable in net thirty (30) days from the invoice date without holdback:
 - i. 40% of the order value invoiced upon order acceptance;
 - ii. 40% of the order value invoiced upon shipment;
 - iii. 20% of the order value invoiced upon completion of commissioning

Where the milestone payments defined within the Sightline Quotation differ from the above, the milestone payments within the Quotation will take precedent.

5. **Duties and Taxes:** Prices are exclusive of any duties, brokerage fees, sales, use, value-added or other taxes unless so stated on the quotation. Any taxes (including without limitation, withholding, value added and use taxes), duties and brokerage fees applicable to the amounts payable by the buyer, including any amounts (and interest applicable to such charges) charged in lieu thereof, are solely the responsibility of the buyer.

6. **Delivery and Risk of Loss:** Delivery dates as quoted are estimates and not guarantees and are based on conditions at the time of quotation. All deliveries are F.O.B. Sightline's factory and shall be shipped freight collect unless specifically stated otherwise. Customs duties and clearances are the responsibility of buyer. The transfer of products to a common carrier constitutes delivery to the buyer and any risk of loss for products shall pass to the buyer at such time. Title to the products (excluding any software components of the products) shall pass to the buyer upon payment in full by the buyer for the products provided. The buyer shall notify Sightline, in writing, within twenty (24) hours of any product damage which occurs during shipment. Sightline agrees to take reasonable actions to assist the buyer with insurance claims for damage reported within the specified period however the buyer agrees that Sightline shall not assume any liability for any damage occurring during shipment. Title to any software components of the products shall at all times remain with Sightline or its licensors. The buyer acknowledges, agrees and grants to Sightline a security interest in the products (together with their proceeds including insurance proceeds) and this or any other appropriate document may be registered with the relevant authorities to perfect the security interest granted. Products may be resold to customers only in the buyer's normal course of business, but until paid for in full, the buyer shall not pledge or otherwise encumber the products. The buyer agrees to immediately report to Sightline: (i) any seizure or attachment of the products by the buyer's creditors; (ii) any petition in bankruptcy, insolvency, receivership or similar proceedings filed by, or against, the buyer; or (iii) any arrangement, composition or similar agreement for the benefit of the buyer's creditors. Services are deemed accepted upon completion by Sightline unless otherwise expressly provided for within a quotation.

7. **Order Cancellation and Returns:**

- (a) **Buyer's Cancellation for Convenience and Returns:** Buyer may cancel any order for convenience, or return products (as set out in Section 8), on the following terms:

- i. For standard products, a re-stocking fee of 20% of the hardware price shall be charged for cancellations or returns prior to shipment from the factory;
- ii. For custom products, 3rd party products or standard parts with minimum usage, a maximum re-stocking fee of 100% of the hardware price shall be charged for cancellations prior to shipment from the factory. Sightline will attempt to negotiate a re-stocking fee with its suppliers and will attempt to mitigate this cost to the buyer on a "best efforts" basis;
- iii. For custom applications software licenses or software development a minimum cancellation or return fee of 30% of the quoted price shall be charged; and
- iv. For scheduled training, any cancellation must be received at least 10 days prior to the scheduled training date. Failure to provide this notification will result in 100% of the scheduled training session being charged.
- v. For services incurred to the date of cancellation, the buyer shall :
 - a. Reimburse Sightline for any travel expenses incurred prior to order cancellation or postponement; and
 - b. Reimburse Sightline for the value, at standard bill-out rates, for time spent on the order up to the date of cancellation. A four (4) hour minimum charge at standard rates plus travel time will also apply in the event that the customer provides notice of a cancellation or postponement on the scheduled date of installation.

(b) **Sightline's Cancellation:** Sightline shall have the right to cancel any unfilled order without notice to buyer in the event that buyer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or becomes unable to meet its financial obligations in the normal course of business. In addition, any order that can be cancelled or rescheduled by buyer pursuant to paragraph 7(a) may be cancelled or rescheduled by Sightline if reasonable prior written notice is given to buyer.

8. **Returns and RMA (Return Material Authorization):** Returned products are subject to the charges as noted in Section 7. Return shipping and duty charges are the responsibility of the buyer. Returned products shall be subject to inspection by Sightline prior to any repair, replacement or refund (if any) issued to the buyer. If Sightline determines that any returned product is not defective, the buyer agrees to pay Sightline reasonable costs for inspection and testing and Sightline may return the product at buyer's risk and expense

A Return Material Authorization number must be obtained from Sightline before returning any products. The buyer is not permitted to return products that include custom components or work such as cabling, special paint, custom circuit boards or software or third party items without first obtaining prior written approval from Sightline. For the purposes of this agreement, third party items are defined as items that are not specifically manufactured by Sightline. Third party items may include, but are not restricted to: sensors, monitors, keyboards, enclosures etc. Failure to obtain an RMA number will result in the return of any shipment to buyer at its sole risk and expense. Failure to return products within thirty (30) days of the date of the RMA shall be deemed by Sightline to be full acceptance of the products and a withdrawal of the return request.

9. **Warranty:** Sightline warrants that Sightline products delivered to the buyer will be free from defects in material and workmanship, under normal and proper use in accordance with Sightline's written specifications as follows:

- (a) For Sightline's complete systems and products, twelve (12) months from date of shipment from Sightline's facilities;
- (b) For any refurbished or used components, ninety (90) days from the date of shipment from Sightline's facilities;
- (c) Software product and related materials are provided "as is" without warranty or condition of any kind. The warranty for the media which the software is supplied on is limited to ninety (90) days from the date of shipment from Sightline's facilities.

For the purposes of this warranty 'Sightline's written specifications' means either the Sightline specifications provided to the buyer as part of a written quotation prior to submission of the buyer's purchase order or, if specifications have not been so provided, Sightline's most current published specifications for the particular product at issue. Replacement or repaired parts will be warranted for the remainder of the original warranty period only and not from the shipment date.

Third party items are covered by the manufacturer's warranty and terms of service (if any).

10. **Warranty Claims:** All claims must be made in writing during the warranty period and within thirty (30) days of the date the warranty breach is discovered or should have reasonably been discovered. Claims outside of the warranty period are not permitted.

11. **Warranty Repair Shipments:** The buyer is required to arrange for all product shipments to Sightline for warranty repair and is responsible for all shipping and handling costs to Sightline's facilities. Sightline will pay reasonable return shipping and handling charges, provided the warranty claim is found by Sightline to be valid.

12. **Repairs Outside of Warranty:** The buyer will pay for repair or replacement outside of the warranty period at Sightline's current prevailing rates.

13. **Warranty Repair or Replacement:** All warranty repairs are performed at Sightline's facilities or authorized Sightline repair depot. Sightline will either repair or replace, at Sightline's sole option, any product which fails during the warranty period due to a defect in workmanship and/or materials, or to refund the purchase price (upon return of the product, if requested by Sightline), the choice of which is at Sightline's sole option provided that the buyer has reported such defect to Sightline as required and Sightline has, upon inspection, found

such product to be defective within the scope of this warranty. All replaced products (or components thereof) shall become Sightline's property.

14. **Warranty Limitations:** The foregoing are the buyers' sole and exclusive remedies and Sightline's sole and exclusive obligations and liabilities for breach of the warranty by Sightline. All warranties shall immediately become null and void should Sightline, at its' sole discretion, determine that the products have been subject to unauthorized modification, misuse, abuse, neglect, accident, improper installation or application, alteration or neglect in use, storage, transportation or handling or if the serial number and/or other identifying markings have been defaced, removed or altered. Buyer's failure to package the product being shipped in its' original or equivalent packaging may void the warranty.

EXCEPT FOR THE EXPRESS WARRANTY IN SECTION 9, THE PRODUCTS AND SERVICES ARE SUPPLIED ON AN "AS IS" BASIS AND THERE ARE NO WARRANTIES, REPRESENTATIONS OR CONDITIONS, EXPRESS OR IMPLIED, WRITTEN OR ORAL, ARISING BY STATUTE, OPERATION OF LAW, COURSE OF DEALING, USAGE OF TRADE OR OTHERWISE, REGARDING THEM OR ANY OTHER PRODUCT OR SERVICE PROVIDED HEREUNDER OR IN CONNECTION HEREWITH BY SIGHTLINE OR ITS AUTHORIZED REPRESENTATIVES. SIGHTLINE DISCLAIMS ANY IMPLIED WARRANTIES OR CONDITIONS OF MERCHANTABILITY, SATISFACTORY QUALITY, MERCHANTABILITY, DURABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE AND NON-INFRINGEMENT, IN PARTICULAR, AND WITHOUT LIMITING THE FOREGOING, THE PRODUCTS ARE NOT FAULT TOLERANT AND ARE NOT DESIGNED FOR USE IN ENVIRONMENTS REQUIRING FAIL SAFE PERFORMANCE, AND SIGHTLINE MAKES NO REPRESENTATION, WARRANTY OR CONDITION AS TO THE SUITABILITY OF THE PRODUCTS OR SERVICES FOR ENVIRONMENTS REQUIRING FAIL-SAFE PERFORMANCE IN WHICH THE FAILURE OF THE PRODUCT COULD LEAD TO DEATH, PERSONAL INJURY, OR SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGES, EVEN IF SIGHTLINE HAS PROVIDED ANY ADVICE, CONSULTATION OR SERVICES WITH RESPECT HERETO.

NO REPRESENTATION OR OTHER AFFIRMATION OF FACT, INCLUDING BUT NOT LIMITED TO STATEMENTS REGARDING PERFORMANCE OF THE PRODUCTS OR SERVICES THAT IS NOT CONTAINED IN SECTION 9, SHALL BE DEEMED TO BE A WARRANTY, CONDITION OR REPRESENTATION BY SIGHTLINE. NO AGREEMENTS VARYING OR EXTENDING THE TERMS OF THE WARRANTY AND LIMITATIONS WILL BE BINDING ON SIGHTLINE UNLESS IN WRITING AND SIGNED BY AN AUTHORIZED SIGNING OFFICER OF SIGHTLINE.

SIGHTLINE DOES NOT REPRESENT OR WARRANT THAT THE PRODUCTS OR SERVICES WILL MEET ANY OR ALL OF THE BUYERS' PARTICULAR REQUIREMENTS, THAT THE PRODUCTS WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR THAT ALL ERRORS OR DEFECTS IN THE PRODUCTS CAN BE DETERMINED OR CORRECTED. **SIGHTLINE PROVIDES NO WARRANTIES FOR THIRD PARTY PRODUCTS OR SERVICES WHATSOEVER.**

15. **Contingencies:** Sightline shall not be liable for default or delay in performance if caused, directly or indirectly, by acts of God; war; force of arms; fire; the elements; riot; labour disputes; picketing or other labour controversies; sabotage; civil commotion; accidents; any governmental action or inaction, prohibition or regulation (including without limitation, restrictions on import/export); delay in transportation facilities or default of a common carrier; shortage or breakdown of or inability to obtain or non-arrival of any labour, material or equipment used in the manufacture of the products covered hereby; failure of the Internet (including ISPs), or from any cause whatsoever beyond Sightline's control, whether or not such cause be similar or dissimilar to those enumerated. Sightline shall promptly notify the buyer of the happening of any such contingency and of the contemplated effect thereof on the manufacture and delivery of the products.

16. **Intellectual Property Ownership, Copyright Protection.**

- (a) License - Software programs are provided under a non-exclusive license for use solely with the products upon which they are installed or embedded. Sightline or its' licensors retain all right, title and interest (including without limitation, all copyright) in and to any software programs, or any adaptations, modifications, customisations, translations, enhancements or derivative works to such software programs supplied hereunder or in connection with the products at any time. Where third party hardware or software is provided, the buyer is bound by the licensing terms and conditions or other usage restrictions, if any, of the original manufacturer.
- (b) Intellectual Property--The products contain valuable trade secrets of Sightline and are protected by national laws and international treaties respecting intellectual property. The buyer is not permitted to reverse engineer hardware products, or disassemble, reverse engineer or decompile software products, or authorize or permit any other party to do so.
- (c) Ability to Copy - The buyer shall not copy any software program, or authorize or permit any other party to do so, unless agreed to in writing by a Sightline authorized signing officer. Purchase of products does not entitle the buyer or any other party to reproduce or make copies of the product or any component thereof, or to reproduce or transmit the design or any information about the design in any way whatsoever, nor does it provide any license to any copyrights, patents, trade secrets or other intellectual or industrial property rights by implication, estoppel or otherwise other than as explicitly provided in this agreement.

17. **End-of-Life Policy:** Sightline reserves the right to discontinue services, products and product support and will, whenever possible, provide the buyer with a minimum of three (3) months notice.

18. **User Licensing Agreement.** The buyer will be required to sign and forward an executed copy of the Sightline User Licensing Agreement (ULA) covering all software products provided

by Sightline, whether developed by Sightline or a 3rd party prior to the commencement of the installation.

19. **Software Support & Maintenance:** Support outside of the warranty remedies (i.e. customizations) or outside of the warranty period or for version of the software no longer supported by Sightline, is subject to payment of the applicable fees and execution of Sightline's maintenance and support agreement or professional services agreement (as required). Sightline supports Sightline software releases of the current major version and the latest release of the prior major version. Patches and/or bug fixes will be produced only for currently supported software versions. Sightline reserves the right not to support software releases if a new update is available. In the event that buyer wishes to execute a maintenance and support agreement with Sightline later than at the time of purchase of the applicable product, buyer shall then be required to also purchase maintenance and support services retroactive to the time of purchase of the applicable product.

20. **Enhancement and Upgrade Policy:** Software enhancements will be produced only for the current version of software. Hardware upgrades, excluding third party items, will be provided only if they are critical to the operation of the application (as determined by Sightline, in its sole opinion). Buyer's having valid software or hardware maintenance agreement will receive product enhancements and upgrades as outlined in their agreement. Buyer's who do not have a valid maintenance agreement do not have the right to upgrades but may receive updates at Sightline's discretion.

21. **Export and Government Regulations:** Products and any confidential information provided hereunder or in connection herewith are subject to any restrictions concerning export/import imposed by Canadian or other international governmental authorities or agencies. Accordingly, the buyer acknowledges and agrees that it shall not export or import, directly or indirectly, any products or confidential information or any products utilizing any confidential information to any country for which the Canadian Government or any agency thereof at the time of export requires an export licence or other governmental approval, without first obtaining the necessary export permits to do so. If Sightline is the exporter of record, this order is subject to Sightline's ability to obtain export licenses and other necessary papers within a reasonable period. The buyer shall furnish all Consular and Custom declarations and shall accept and bear all responsibility for penalties resulting from errors or omissions thereon.

22. **No Authority To Bind:** The buyer will give and make no warranties, conditions or representations on behalf of Sightline as to quality, merchantable quality, satisfactory quality, merchantability, non-infringement, title, fitness for a particular use or purpose or any other features of the products; and the buyer shall not incur any liabilities, obligations or commitments on behalf of Sightline.

23. **Limitations:** The buyer acknowledges and agrees that THE ENTIRE RISK AS TO THE RESULTS AND PERFORMANCE OF THE PRODUCTS AND SERVICES IS ASSUMED BY THE BUYER and buyer will fully indemnify Sightline, its affiliates, subsidiaries, agents and dealers, and the employees, directors, officers, agents and contractors of each of them from and against any and all claims, actions, demands, costs, losses and expenses (including reasonable attorney's fees) arising from buyer's or its customers' use of the products or services, including without limitation, personal injury, death and property damage (whether tangible or intangible). TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, UNDER NO CIRCUMSTANCES AND UNDER NO LEGAL THEORY, TORT (INCLUDING NEGLIGENCE), CONTRACT (INCLUDING FUNDAMENTAL BREACH) OR OTHERWISE, SHALL SIGHTLINE OR ITS LICENSORS OR REPRESENTATIVES OR THE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, CONTRACTORS OR SERVANTS OF EITHER OF THEM HAVE ANY LIABILITY TO THE BUYER OR ANY OTHER PERSON OR ENTITY FOR ANY LOSS OF REVENUE OR PROFIT, LOST OR DAMAGED DATA, LOSS OF TIME OR USE OF THE PRODUCTS, COST OF RECOVERING PRODUCTS OR DATA, COST OF SUBSTITUTE PRODUCTS OR SERVICES, CLAIMS BY THIRD PARTIES, OR OTHER COMMERCIAL OR ECONOMIC LOSS, DAMAGES TO PROPERTY OR SEVERE PHYSICAL OR ENVIRONMENTAL DAMAGES OR FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, EXEMPLARY OR CONSEQUENTIAL DAMAGES WHATSOEVER, EVEN IF SIGHTLINE HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR SUCH DAMAGES ARE FORESEEABLE. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE MAXIMUM AGGREGATE LIABILITY OF SIGHTLINE IN ANY CONNECTION WITH THIS AGREEMENT OR THE PRODUCTS OR SERVICES, WHETHER IN TORT (INCLUDING NEGLIGENCE), CONTRACT (INCLUDING FUNDAMENTAL BREACH) OR OTHERWISE SHALL NOT EXCEED THE PRICE PAID BY THE BUYER FOR THE PARTICULAR PRODUCT OR SERVICES, OR COMPONENT THEREOF, GIVING RISE TO THE CLAIM.

24. **Basis of Bargain.** The limited warranty, exclusive remedies and limited liability set out herein are fundamental elements of the basis of the bargain between the buyer and Sightline. The buyer acknowledges and agrees that Sightline would not be able to provide the products and services at such prices without such limitations.

25. **Severability; No Waiver:** In the event that any provisions of these terms shall be held to be illegal or unenforceable, such provision shall be deemed severed from these terms and the remaining terms shall remain in full force and effect. Neither party's rights to enforce these terms shall be affected by any prior course of dealing, waiver, delay, omission or forbearance.

26. **Previous Agreements:** These terms and conditions are the entire agreement between the buyer and Sightline with respect to the subject matter and supersede those contained in all previous quotations, orders and agreements, oral or written, including all pre-printed terms and conditions appearing on the buyer's order forms even if accepted by Sightline, and shall

govern future transactions between the buyer and Sightline. No change or modification to these terms and conditions will be binding on Sightline unless agreed to in writing by an authorized signing officer of Sightline. Section titles are for reference only and will not affect the meaning or interpretation of these terms. These terms and conditions are considered to be the confidential information of Sightline and may only be disclosed to buyers' employees, contractors and financial and legal advisors who have a need to know for the purposes of carrying out buyer's obligations hereunder. Any terms or conditions contained in any purchase order or other communication by buyer, which is inconsistent with these terms and conditions, will not apply, even if Sightline accepts the document or communication.

27. **Governing Law:** These terms and the sale of any products hereunder shall be governed by and construed in accordance with the laws of the Province of Ontario, excluding that body of law applicable to choice of law and the United Nations Convention on Contracts for the International Sale of Goods and any legislation implementing such Convention, if otherwise applicable. Each party consents and attorns to the exclusive jurisdiction of the courts of Ontario located in Ottawa, Ontario.