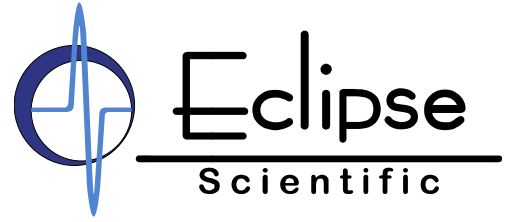


Reseller Agreement



This Reseller Agreement ("Agreement") is made and entered into as of October 1, 2013 (the "Effective Date") and till October 3, 2016

Between

Eclipse Scientific Products Inc. ("Company")

Known as "Eclipse"

an Ontario corporation incorporated under the laws of Canada and having its administrative offices at 97, Randall Dr., Waterloo, ON, Canada, N2V 1C5 Phone +1 (519) 886-6717 • Fax +1 (519) 886-1102 e-mail: info@eclipsescientific.com,

And

Imaginos NDE Limited, 5 Roundwood Lane, Harpenden, Herts. AL5 3BW, UK ("Reseller")

BACKGROUND

- A. Eclipse specializes in the development of leading-edge tools for the Non-Destructive Testing (NDT) industry, primarily in the advanced field of Phased Array Ultrasonic and Eddy Current Testing (PAUT & ET).
- B. Imaginos NDE offers a range of alternative NDT systems, equipment and software that challenge the traditional non-destructive testing methods including Ultrasonic Phased Array equipment, Ultrasonic Cleaning Systems, Computed Tomography (CT), 3D Imaging Software, and NDT film scanners.

NOW THEREFORE, in consideration of the mutual covenants and obligations contained in this Reseller Agreement, and other good and valuable consideration, Company and Reseller agree as follows:



Head Office & Training Center
97 Randall Drive, Unit 2
Waterloo, Ontario, Canada, N2V 1C5
Phone +1 (519) 886-6717 • Fax +1 (519) 886-1102

Western Operations
3-11 Bellerose Drive, Suite #353
St. Albert, Alberta, Canada, T8N 5C9
Phone +1 (780) 449-4078 • Fax +1 (530) 239-8408

Accounting & Software Engineering
1260 2nd. Avenue East, Unit 4
Owen Sound, Ontario, Canada, N4K 2J3
Phone +1 (519) 372-1831 • Fax +1 (519) 372-2039

Groupe Solutions Avancées
2800, rue Louis-Lumière, Suite 110
Québec, Québec G1P 0A4, Canada
Phone +1 (418) 933-9992

1 APPOINTMENT

1.1 Appointment

Subject to the terms and conditions of this Agreement, Company grants Reseller an exclusive non-transferable, non-assignable license to market, promote, and sell the Resale Items listed in Schedule-A ("Resale Item") within the United Kingdom and Benelux countries and non-exclusive rights to Austria, France, Germany, Italy, Liechtenstein, Monaco, Portugal, Spain, Switzerland, and Turkey ("Territory") during the term of this License, or until any Territory modifications.

1.2 Resale Items Covered

Company Resale Items means the hardware, software, special services, training and training materials agreed to between the parties from time to time with any exclusions, additions or discounts Company may make (See Schedule-A).

1.3 Assignment

Reseller will not assign, sub-license, transfer, mortgage, pledge, financially encumber, grant a security interest, permit a lien to be created, charge or otherwise dispose of any or all of the rights granted to it under this Reseller Agreement without the prior written consent of Company.

Company may assign this Agreement to its affiliate upon written notice to Reseller provided that the company's affiliate assumes all obligations or covenants from Company and that Reseller retains all rights granted to the Reseller under this Reseller Agreement.

1.4 Sales Outside Territory

Reseller shall in no way market, distribute, export, sell, lease or install Company Resale Item outside the Territory without Company's prior written approval. Company will not ship on any Purchase Orders ("PO") issued by Reseller outside the Territory unless prior approval has been granted, said approval to be on a case by case basis.

In the absence of aforementioned approval, if a customer located outside the Territory makes enquiries to Reseller about any Company Resale Items, Reseller shall forward the enquiry to Company; Reseller shall in no way issue quotations to customers outside the Territory. If such enquiry forwarding leads Company to a new customer, which was never known to Company, outside the Reseller's Territory, Reseller will be entitled to an incentive commission bonus equal to 5% of the first PO issued by the new customer. Incentive commission bonus will be paid to Reseller when Company receives the full PO payment from the customer.

1.5 Company Sales Activities

Under normal circumstances Company will re-direct to reseller requests/leads from Territory. From time to time and under some circumstances Company can make direct sales into Territory and Reseller shall be entitled to compensation as listed in Schedule B.

2 OBLIGATIONS OF RESELLER

2.1 Advertising and Marketing

Reseller shall use reasonable efforts to advertise, market and sell Company Resale Items in the Territory and shall comply with the policies, programs, and requirements regarding advertising and marketing as may be communicated by Company to Reseller from time to time to meet, or cause to be met, market demand.

2.2 Customer Support

Reseller shall:

- (i) Provide technical support, if needed, to end customer in the Territory by means of email, phone and on-site visit. Company will provide second level support to the Reseller or the customer upon the request by the Reseller;
- (ii) Use only Company-approved spare parts and software updates for any repair, servicing and maintenance of Company Resale Items it provides under warranty;
- (iii) Comply with all laws, regulations and ordinances, whether federal, state, provincial, county, municipal or otherwise, with respect to this Reseller Agreement and the Resale Item. Reseller shall comply with laws and regulations applicable to "used" or returned Resale Items and never refurbish, place in inventory, or resell as "new" any Company Resale Items returned to Reseller for post-sale repair;
- (iv) Instruct its customers on how to obtain replacement parts or software activation under warranty, including, when Reseller wants its customers to contact Company directly, the use of Company's Return Materials Authorization ("RMA") procedures.

2.3 Order Commitments

Reseller receives discount on published retail prices for orders equal to or greater than the Minimum Resale Order Size set forth on the attached Schedule-A; items with no Minimum Resale Order Size set can be purchased at quantities as low as one (1) unit at the discounted price.

Concurrent with execution of this Agreement, Reseller agrees to simultaneously purchase from Company the Items set forth on the attached Schedule-A at the indicated Initial Purchase Quantities and at the discounted prices. Items with no Initial Purchase Quantity set can be purchased at Reseller's sole option.

2.4 Sales Performance

Reseller is granted a one (1) year exclusive agreement with potential for extension to three (3) years exclusivity should the Reseller achieve sales of \$100,000 or more in the first year. Company, at its sole option, will review Reseller's performance every six months.

2.5 Report on Improvements

Reseller will provide Company with reports on any improvement suggestions in and to the Resale Item which Reseller may have collected and/or acquired in sufficient detail to allow for an assessment of the improvements by Company.

3 OBLIGATIONS OF COMPANY

3.1 Supply of Resale Items

Company shall endeavor to produce, assemble and ship Company Resale Items to Reseller in a timely manner. Should shortages occur, Company may allocate its production as it deems appropriate, may delay or stop shipments, and may send partial shipments with prior notice. Company shall not be liable to Reseller for any failure to supply quantities of Company Resale Items agreed upon with Reseller.

Company shall supply Reseller with a maximum of 10 packages of Software at any one time; Reseller will not be able to sell the software without first obtaining Serial Numbers or HASP Activation from the Company.

3.2 Marketing Assistance

Company will provide marketing support services and training programs to Reseller on a case-by-case basis.

4 ORDERING AND DELIVERY OF COMPANY RESALE ITEMS

4.1 Purchasing

This Agreement with its terms and conditions, and those provided under the Company General Terms and Conditions, applies to all purchase orders which Reseller may place with Company for the Resale Items during the Term of this Agreement.

A copy of Company's General Terms and Conditions is available at:

www.eclipsescientific.com/eclipsegeneraltermsandconditions.pdf

4.2 Media for Orders

Reseller shall order from Company via a Purchase Order (PO) by facsimile, mail or electronic mail. Acceptance by Company of the Order shall occur (a) when the PO is entered into Company's system or (b) when a Sales Number is provided to Reseller by facsimile or electronic mail, if requested by Reseller, whichever occurs first.

4.3 Orders

- (i) Each PO shall be deemed an offer by Reseller to purchase the Company Resale Items listed therein and when accepted by Company shall constitute a contract in accordance with the terms and conditions of the PO and this Agreement. If a conflict arises between the two, this Agreement shall take precedence.
- (ii) PO's submitted by Reseller, pursuant to this Agreement, shall include the quantity and type of Resale Item(s) ordered, descriptions, specifications, price, shipping instructions, Reseller's invoice information and order number if available.

4.4 Changes and Modifications to Resale Items

- (i) Company reserves the right to make changes and modifications in specifications or design of the Resale Items at any time, and any Resale Items so modified shall be accepted by Reseller as standard in fulfillment of existing orders. Company shall not be required to retrofit any Resale Items previously delivered to Reseller with any modifications.
- (ii) Company reserves the right to discontinue any Resale Items at any time, and Reseller will be notified of such discontinuance.

5 PRICES AND PAYMENTS

5.1 Reseller's Purchase Price

Prices for Company Resale Items purchased hereunder and Reseller's discount shall be agreed to from time to time. Such prices do not include any taxes, fees, duties, shipping costs, insurance or other levies. Any such items (except taxes on Company's income) will be added to the purchase price. Reseller shall pay all taxes and government imposts arising from Reseller's activities as a Company Reseller.

5.2 Price Changes

Company has the right to amend in writing Schedule-A attached hereto, including changes to Resale Item prices, in its sole discretion without prior notice or liability. Any PO accepted by Company before a price change takes effect shall be invoiced at the previous price.

5.3 Payment Due Dates

Reseller shall pay all amounts due to Company in advance when placing its orders.

In the event that any due amount remains unpaid, Company may discontinue, withhold, or suspend supply of Resale Item to Reseller. Failure of Reseller's clients to pay in no way relieves the Reseller's obligations to make full payment. Reseller hereby agrees to pay any and all attorney fees, court costs, and related expenses incurred by Company in the collection of any amount due.

6 TRADEMARKS, TRADE NAMES

Reseller acknowledges that Company and/or its parent or affiliates are the sole and exclusive owners of the name "Eclipse Scientific Products Inc." and any abbreviations or variations thereof, and of any and all of Company's trademarks and trade names, service marks, trade logos and trade dress (collectively "Trademarks") as Company may unilaterally amend periodically (registered or not). Reseller agrees not to register any mark(s) that are similar enough to be construed as Company Trademarks. Reseller acquires no rights to the Trademarks, and Reseller hereby assigns and transfers to Company all rights that it may acquire in and to the Trademarks, whether by operation of law or otherwise.

Company authorizes Reseller to use Company's Trademarks or make reference to Company or its name solely for its performance under this Agreement to advertise and sell the Resale Items. Reseller may advertise in publications of general circulation that it is an authorized reseller of the Resale Items.

7 TERMINATION

7.1 Automatic Termination

This Reseller Agreement will automatically and immediately terminate:

- (i) Upon the expiry of the term and without renewal of this Reseller Agreement, or
- (ii) Upon or after:
 - a. The filing by Reseller of a petition in bankruptcy or insolvency,
 - b. Any final adjudication that Reseller is bankrupt or insolvent.

7.2 Termination by Company

Company may, at its option, terminate this Reseller Agreement with immediate effect by giving written notice to Reseller if one or more of the following occurs:

- (i) The filing by Reseller of any petition or any application seeking reorganization, readjustment or rearrangement of the business of Reseller under any international, national, federal, provincial or state laws relating to bankruptcy or insolvency;

- (ii) The making by Reseller of any assignment or attempted assignment for the benefit of creditors;
- (iii) Reseller's failure to pay to Company all amounts by the due date;
- (iv) Reseller becoming insolvent, as evidenced, for example (without limitation) by:
 - a. The appointment of a receiver or a receiver manager for all or substantially all of the property of Reseller;
 - b. The inability of Reseller to pay its liabilities generally as they become due;
 - c. The termination of a majority of Reseller's employees;
 - d. Reseller's ceasing, or imminently ceasing by way of a third party petition remaining in place for 30 days, to carry on business.
- (v) Any resolution passed, order made, or other steps taken by Reseller for the winding up, liquidation or other termination of the existence of the Reseller;
- (vi) If Reseller is in breach of any agreement relating to the Resale Item entered into between Reseller and Company, and the breach has not been cured within the time provided for the curing of the breach under the terms of the related agreement, or if such related agreement has not been subsequently terminated in accordance with the terms of that agreement.

7.3 Termination without Cause

Either party may terminate this Reseller Agreement for whatever reason at any time upon giving 30 day's prior written notice to the other party.

7.4 Outstanding Amounts

- (i) If this Reseller Agreement is terminated Reseller will immediately make all outstanding payments to Company, and Company may proceed to enforce payment of all outstanding monies and to exercise any or all of the rights and remedies available under this Reseller Agreement or otherwise available by law or in equity, successively or concurrently, at the option of Company.
- (ii) Upon termination of this Agreement, Company may terminate any or all unfilled orders and give a refund to Reseller after deducting all outstanding payments not paid to Company.
- (iii) Upon termination, Reseller shall immediately stop all marketing, promotion, advertising or reference to Company Resale Items and shall have no further rights to use Company's marketing, Trademarks, demonstration, promotion or advertising materials or other resources. Reseller must return all Company-owned materials and resources to Company at Reseller's cost and within 30 days from the date of termination.

8 EXPORT CONTROLS

8.1 Compliance with Laws

Reseller shall comply with all Canadian and Reseller's Territory export/import laws and regulations applicable to Company Resale Items, and shall obtain any licenses required for import.

8.2 Products of Canada Origin Technology

Reseller may sell Company Products only to end-users within the Territory, and shall not export any Company Resale Items without Company's advance written approval and, if required, the Canadian government permission. This requirement shall survive termination or expiration of this Agreement. Reseller shall not export Company Resale Items to any person or firm identified by the Canadian government as being denied the right to receive any Canadian products. Canadian export regulations and notices can be reviewed at Foreign Affairs and International Trade Canada website (www.international.gc.ca).

9 INDEMNITY & LIMITATION OF LIABILITY

9.1 Limitation of Liability

The total liability of the Indemnified Parties to Reseller and any customer of Reseller, whether under the express or implied terms of this Reseller Agreement, in tort (including negligence), contract or otherwise, for Losses suffered by Reseller that may arise out of or in any way be associated with this Reseller Agreement is, in the aggregate, limited to the purchase price received by Company for the relevant Resale Item.

9.2 Indemnification by Reseller

Reseller agrees to indemnify, hold harmless and defend Company, its Board of Governors, directors, officers, employees and agents (the "Indemnified Parties") against any and all demands, claims, suits, proceedings, actions of any nature or kind whatsoever ("Claims"), liabilities, damages, judgments, costs, expenses and fees (including reasonable legal expenses) ("Losses") arising out of or in any way associated with this Reseller Agreement, including, without limitation:

- (i) Any misrepresentation or breach of warranty or covenant by Reseller under this Agreement;
- (ii) Any actual or alleged act or omission of Reseller in the course of its performance hereunder;
- (iii) Any claim of infringement arising from the use of any Resale Item with any other product as a combination not furnished by Company;
- (iv) Death or injury to any person or damage to any property resulting from any Resale Item:
 - a. Not supplied by Company,
 - b. Supplied by Company but changed, modified, adapted or refitted without Company's written authorization,
 - c. Not in Company's standard inventory but purchased by Company at Reseller's direction,
 - d. Manufactured to Reseller's design.

10 WARRANTIES AND REPRESENTATIONS

The Resale Items are covered by the limited warranties defined in Company's General Terms and Conditions. Should Reseller resell Resale Items to any entity other than an end-user, and Resale Items are further resold, the final end-user may not receive any Company warranty or technical support.

11 GENERAL

11.1 Independent Contractor

The relationship between Company and Reseller is that of independent contractors and nothing in this Reseller Agreement will be construed as establishing an agency, partnership, joint venture, or employment relationship between the parties. Reseller is authorized to resell Company Resale Item but not to receive any commissions from Company. No party has the authority to act on behalf of the other party, or to commit the other party in any manner at all or cause any other party's name to be used in any way not specifically authorized by this Agreement.

11.2 Governing Law

This Reseller Agreement is governed by, and will be construed in accordance with, the laws of the Province of Ontario, Canada applicable therein, without regard to any choice or conflict of laws, rule or principle, that will result in the application of the laws of any other jurisdiction.

11.3 Entire Agreement

The parties hereto acknowledge that this Reseller Agreement sets forth the entire agreement and understanding of the parties hereto as to the subject matter hereof, and replaces and supersedes all prior discussions, agreements and writings in respect hereto.

11.4 Amendment

No amendment or variation to this Reseller Agreement, except as set out in clause 5.2, will operate to change or vary the terms, obligations or conditions hereof except upon mutual agreement by both parties signed by an authorized representative of each party.

11.5 Severability

In the event that any provisions of this Reseller Agreement are determined to be invalid or unenforceable by a court of competent jurisdiction in any jurisdiction, the remainder of the Reseller Agreement will remain in full force and effect without said provision in said jurisdiction and such determination will not affect the validity or enforceability of such provision or the Reseller Agreement in any other jurisdiction. The parties will in good faith negotiate a substitute clause for any provision declared invalid or unenforceable, which will most nearly approximate the intent of the parties in entering this Reseller Agreement.

11.6 Notices

All reports and notices or other documents (“Notices”) that a party is required or may want to deliver to the other party will be in writing, delivered by:

- (i) Personal delivery, company email, with notice of receipt, facsimile or recognized courier service and deemed to have been received at the time of delivery; or
- (ii) Registered or certified mail (with all postage and other charges prepaid) and deemed to have been received at the end of the fifth (5th) business day after it is posted, except that in the event of a postal strike.

Such Notices will be deemed to have been received upon actual receipt to the address set out in this Reseller Agreement for the other party or to such other address that the other party may subsequently direct in writing.

11.7 Dispute Resolution

For any and all disputes and controversies arising from, connected with, or relating to this Reseller Agreement, including relating to the construction, meaning, performance or effect of this Reseller Agreement or any breach thereof (collectively “Disputes”), the parties agree that prior to initiating formal dispute resolution procedures, the parties will first attempt to resolve any Dispute directly through good faith negotiations. Either party may deliver to the other a written notice requiring negotiation of the Dispute (“Notice to Negotiate”). The parties will seek to resolve Disputes through negotiations, but may escalate the resolution of any Dispute internally as necessary or appropriate at the executive level. If the Dispute has not been resolved within 30 days after the delivery of a Notice to Negotiate, either party may seek:

- (i) Interim measure of protection, including injunctive relief, and
- (ii) Final resolution, from the courts sitting in the Province of Ontario, Canada, and each party irrevocably and unconditionally attorns to the exclusive jurisdiction of such courts, and all courts competent to hear appeals therefrom, for that purpose.

11.8 Waiver

No condoning, excusing or overlooking by any party of any default, breach or non-observance by any other party at any time(s) regarding any terms of this Reseller Agreement operates as a waiver of that party’s rights under this Reseller Agreement. A waiver of any term or right under this Reseller Agreement will be in writing signed by the party entitled to the benefit of that term or right, and is effective only to the extent set out in the written waiver.

SIGNATURE OF AGREEING PARTIES

Eclipse Scientific Products Inc.

**Imaginos NDE Limited, 5 Roundwood
Lane, Harpenden, Herts. AL5 3BW, UK**

Representative Full Name:

Representative Full Name:

Robert Ginzel

Title:

Title:

President & CEO

Date:

Date:

Signature:

Signature:

SCHEDULE-B: COMPANY SALES ACTIVITIES

Commission is 10% of ExW MSRP Waterloo, ON price.