

VECTOR STANDARD TERMS AND CONDITIONS

1. **TERMS AND CONDITIONS.** Vector CANtech, Inc. (“Vector”) and Customer, its successors, assigns, affiliates, and representatives (hereinafter referred to as “Customer”) agree that these Vector Standard Terms and Conditions (the “Vector Standard Terms and Conditions”) govern Customer’s Purchase Order or any other document that Customer may heretofore have sent or later send to Vector (collectively, the “Customer Documents”). Fulfillment of Customer’s Purchase Order is expressly conditioned upon Customer’s acceptance of these Vector Standard Terms and Conditions, which acceptance shall be deemed to occur upon the earlier of Customer’s issuance of a Purchase Order upon receipt of these Vector Standard Terms and Conditions or Customer’s failure to object in writing within ten (10) days after later receipt of the same notwithstanding: (i) the inclusion of different or additional terms and conditions on the Customer Document, (ii) Vector’s shipment to Customer of the Vector Product set forth on the Customer Document, or (iii) Vector’s acceptance of the purchase price set forth on the Customer Document. In any event, if there shall be any inconsistency or conflict between the Vector Standard Terms and Conditions and the Customer Document (including those terms appearing on the reverse side of, or as an attachment to, a Customer Document), Vector rejects such inconsistent or conflicting terms and the Vector Standard Terms and Conditions shall govern and control. In addition, the terms and conditions of the License Agreement (defined herein) and any Maintenance Certificate issued thereunder are hereby incorporated herein by reference, to the extent that the Vector Products are Vector Tool Software and/or Hardware.

2. ADDITIONAL DEFINITIONS.

2.1 “Order Confirmation” means Vector’s confirmation of Customer’s Purchase Order to which the Vector Standard Terms and Conditions are attached.

2.2 “Quote” means the offer sent by Vector to Customer in response to Customer’s request for a quote, which shall be governed by these Vector Standard Terms and Conditions, even if the Quote does not reference these Vector Standard Terms and Conditions.

2.3 “License Agreement” means the Vector Tool License Agreement for the licensure of Vector Products that are Vector Tool Software and Hardware, both as defined therein.

2.4 “Purchase Order” means Customer’s acceptance of the Quote.

2.5 “Vector Product” means the product, including Vector Tool Software and Hardware, ordered by Customer from Vector, which is described on the Order Confirmation or some other document issued by Vector in relation thereto.

2.6 “Invoice” means the document sent by Vector to Customer requesting payment for the Vector Product delivered to Customer.

3. **MODIFICATION.** The Vector Standard Terms and Conditions may not be modified, altered or added to except with Vector’s prior written consent, signed by a duly authorized representative of Vector.

4. **LICENSE.** Any Vector Product that is Vector Tool Software and Hardware licensed by Vector to Customer is subject to the License Agreement provided therewith. Customer agrees that it will be bound by the additional terms and conditions of the License Agreement prior to use of any Vector Product that is Vector Tool Software and/or Hardware. A copy of the License Agreement is available upon request.

5. **DELIVERY AND SHIPMENT.** Unless otherwise specified by Vector, all prices quoted are F.O.B. carrier at Vector’s place of business. Upon delivery of the Vector Product to the carrier for shipment to Customer, all risk of loss, damage and other incidents of ownership shall immediately pass to Customer. Vector also reserves the right to ship the Vector Product on common carriers selected from those carriers having specific authority to serve Vector.

6. **TAXES.** Vector shall not in any event be liable or responsible for any taxes, assessments, duties or other governmental charges which may be imposed upon, levied against or claimed to be due from Customer and which are, or are asserted or claimed by Customer to be attributable in any manner or to any extent to the failure, neglect or refusal, or to the claimed or alleged failure, neglect or refusal, of Vector to ship or deliver the Vector Product at the time, in the quantity, and/or in the manner specified in the Vector Standard Terms and Conditions. To the extent legally permissible, all present and future taxes and duties imposed by any governmental authority that Vector may be required to pay or collect upon or with reference to the sale, purchase, transportation, delivery, storage, use,

installation, testing, or importation of the Vector Product (except income taxes) shall be added to the purchase price and shall be paid by Customer to Vector.

7. **PAYMENT/CUSTOMER'S FINANCIAL ABILITY.** If Vector pays shipping costs for special shipping requests, including, but not limited to, requests for overnight shipping, Vector may, in its sole discretion, charge this additional cost to Customer by adding such cost to the total price of the Vector Product. Payment for the Vector Product, including such additional shipping costs, if any, is due net 30 days from date of the Invoice. If, at any time, Vector determines that Customer does not have satisfactory financial ability to perform under these Vector Standard Terms and Conditions, then Vector has the right to demand from Customer adequate assurances of due performance, payment in advance, a progression of payments in amounts reasonably satisfactory to Vector, or satisfactory security or a guarantee that invoices will be promptly paid when due. If Customer fails to comply with any such demand within seven (7) business days of Customer's receipt of such demand, Vector has the right to withhold further deliveries, to suspend performance hereunder, or to terminate Customer's order, and any unpaid amounts shall thereupon become immediately due.

8. **INSOLVENCY.** Vector may immediately cancel the Purchase Order without liability to Customer in the event of the happening of any of the following or any other comparable event: (a) insolvency of the Customer; (b) filing of a voluntary petition in bankruptcy by Customer; (c) filing of any involuntary petition in bankruptcy against Customer; (d) appointment of a receiver or trustee for Customer; or (e) execution of an assignment for the benefit of creditors by Customer.

9. **GRANT OF SECURITY INTEREST.** Customer grants to Vector a security interest in all of Customer's rights, title, and interest in and to the following, whether existing now or later, or in which Customer now has or later acquires an interest (the "Collateral"): (a) the Vector Product, including any license thereof, and any license of Vector Tool Software and Hardware granted pursuant to a License Agreement between Vector and Customer; and (b) all proceeds, products, derivatives, modifications, updates, and profits from any such Vector Product or license of Vector Product that is Vector Tool Software and/or Hardware granted pursuant to a License Agreement, and any accessions to the Vector Product. The Collateral secures Customer's full and prompt performance and payment to Vector of all obligations of Customer to Vector under these Vector Standard Terms and Conditions and any License Agreement between Vector and Customer. This security interest will be satisfied by payment in full. Customer agrees that it will cooperate with Vector to execute any document required by Vector to perfect its security interest in the Collateral.

10. **CANCELLATION.** Customer may not cancel the Vector Standard Terms and Conditions except by Vector's written consent. If Customer cancels the Purchase Order with or without Vector's consent, Customer may be liable for any loss (including loss of profit) suffered by Vector by reason of Customer's cancellation. In the event that Customer cancels the Purchase Order, Vector may demand that Customer pay, immediately upon such demand, the following amounts: (a) an amount equal to the price set forth in the Order Confirmation for Vector Products which prior to such cancellation have been completed in accordance with the Vector Standard Terms and Conditions and not previously paid for; (b) an amount equal to the costs of work-in-process and raw materials incurred by Vector in furnishing the Vector Product; and (c) an amount equal to Vector's lost profit. In the event of Customer's failure or refusal to accept the Vector Product, or other default either before or after delivery to carrier, Vector may, without notice, retain or repossess said Vector Product and require that Customer pay to Vector the full purchase price less an allowance for the difference, if any, between the purchase price and the then current value thereof.

11. **DELAYS.** Vector shall not be held liable or deemed in default if prevented from or delayed in performing any of the obligations of the Vector Standard Terms and Conditions by reason of an event or occurrence beyond its reasonable control, such as, by way of example and not by way of limitation, Customer delays, labor problems, or inability to obtain power, material, labor, equipment, or transportation.

12. **INTELLECTUAL PROPERTY RIGHTS AND CONFIDENTIALITY.** All Vector Products, including all rights, title and interest therein, shall remain the exclusive intellectual property of Vector. Vector Products that are Vector Tool Software and Hardware are, among other provisions, subject to the Intellectual Property Rights and Confidentiality provisions in the License Agreement. The structure, organization and/or code of the Vector Products are confidential information of Vector and shall neither be examined by Customer (or its employees) nor disclosed by Customer (or its employees) to any third parties, regardless of the reason. The Vector Products are protected by copyright, trade secret, and other intellectual property laws, including without limitation United States Copyright Laws and International Copyright Treaties. Customer shall not remove, modify, or destroy any proprietary markings of Vector affixed to or embedded within the Vector Products, including, but not limited to, legends and notice of Vector's ownership and title to trademarks, trade names, trade secrets, copyrights or patents placed upon or contained within the Vector Products. Customer agrees to reproduce all such markings upon or within authorized copies of the Vector Product.

13. **WARRANTY DISCLAIMER.** EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THE LICENSE AGREEMENT FOR THE VECTOR PRODUCTS THAT ARE VECTOR TOOL SOFTWARE AND HARDWARE, CUSTOMER ASSUMES THE ENTIRE RISK AS TO USE OF THE VECTOR PRODUCT AND ANY RESULTS GENERATED THEREBY. THE LIMITED WARRANTY IN SECTION 12 OF THE LICENSE AGREEMENT IS EXCLUSIVE AND NO OTHER WARRANTY, WHETHER WRITTEN OR ORAL, IS EXPRESSED OR IMPLIED. VECTOR SPECIFICALLY DISCLAIMS THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NONINFRINGEMENT. ANY WARRANTY FROM VECTOR, WHETHER GRANTED PURSUANT TO THE LICENSE AGREEMENT, OR BY LAW, SHALL BE VOID IF THE VECTOR PRODUCT IS MODIFIED AFTER ACCEPTANCE.

14. **LIMITATION OF LIABILITY AND INDEMNIFICATION.** AS AN EXPRESS CONDITION TO INSTALLING AND/OR USING THE VECTOR PRODUCT, CUSTOMER AGREES THAT VECTOR AND ITS AFFILIATES SHALL HAVE NO LIABILITY TO CUSTOMER FOR ANY DAMAGES WHATSOEVER RELATED TO THE VECTOR PRODUCT OR ANY RESULTS GENERATED THEREBY, INCLUDING ANY AMOUNTS REPRESENTING CONSEQUENTIAL DAMAGES, INDIRECT DAMAGES, INCIDENTAL DAMAGES, LOSS OF PROFIT, LOSS OF BUSINESS, EXEMPLARY DAMAGES, OR PUNITIVE DAMAGES, INCLUDING COSTS OR DAMAGES RELATED TO PRODUCT RECALLS, PROGRAM DEVELOPMENT/PRODUCTION DELAYS, WORK STOPPAGES, OR PRODUCT LIABILITY. AS AN EXPRESS CONDITION TO INSTALLING AND/OR USING THE VECTOR PRODUCT, CUSTOMER AGREES TO INDEMNIFY VECTOR AND ITS AFFILIATES FROM AND AGAINST ANY AND ALL THIRD PARTY CLAIMS AND DAMAGES INCURRED BY VECTOR, INCLUDING ATTORNEYS' FEES RELATED THERETO, THAT ARISE OR RESULT FROM AUTHORIZED OR UNAUTHORIZED USE, MISUSE OR OPERATION OF THE VECTOR PRODUCT BY CUSTOMER OR BY ANYONE TO WHOM CUSTOMER PROVIDED THE VECTOR PRODUCT.

15. **GENERAL PROVISIONS.**

15.1. **Choice of Law.** The Vector Standard Terms and Conditions shall be governed by the laws of the State of Michigan, without regard to its conflicts of law principles and excluding the United Nations Convention on Contracts for the International Sale of Goods (CISG).

15.2. **Invalid Provision.** If any part of the Vector Standard Terms and Conditions is found void and unenforceable, it will not affect the validity of the balance of the Vector Standard Terms and Conditions, which shall remain valid and enforceable according to their terms.

15.3. **Entire Agreement.** The Vector Standard Terms and Conditions, the License Agreement (for Vector Products that are Vector Tool Software and Hardware) and any Maintenance Certificate issued thereunder contain the entire agreement between the parties with respect to the Purchase Order and other subject matter set forth herein.

15.4. **Waiver.** The waiver by Vector of any terms, provision, or condition hereof shall not be construed to be a waiver of any other term, condition or provision hereof, nor shall such waiver be deemed a waiver or subsequent breach of the same condition or provision. In the event Customer shall default in its obligations under the Vector Standard Terms and Conditions, Customer shall be liable for Vector's cost of collection including reasonable attorneys' fees.

15.5. **Export Laws.** Customer agrees not to ship, transfer or export Vector Products into any country or use Vector Products in any manner prohibited by the United States Export Administration Act or prohibited by any other export laws, restrictions or regulations.

15.6. **Additional Rights.** All rights granted to Vector hereunder shall be in addition to, and not in lieu of, Vector's rights arising by operation of law.

15.7. **Assignment/Transfer.** Customer shall not transfer or assign its interests under the Vector Standard Terms and Conditions to any third party, including any contractor or vendor of Customer, without Vector's prior written consent, signed by an authorized representative of Vector.