

## COGNEX K.K. STANDARD TERMS AND CONDITIONS OF SALE

### 1. PRICING.

Price, quantity and other terms for Cognex products provided hereunder (each a "Product" and collectively, the "Products") are as stipulated in Cognex's order acceptance.

### 2. PAYMENT.

Unless otherwise expressly agreed, payment shall be made by the end of the month that follows the month wherein the Products were delivered to Buyer. Overdue payments will be subject to a 12% annual interest rate.

### 3. TAXES AND DUTIES.

Unless otherwise expressly agreed, Product prices do not include consumption tax, or any other tax

### 4. DELIVERY.

Delivery shall take place at a place in Japan designated by Buyer.

### 5. TITLE AND RISK TRANSFER.

Title and risk to the Products shall transfer to Buyer upon delivery of the Products.

### 6. CANCELLATION OR SCHEDULE CHANGES.

Schedule changes made within thirty (30) days of date of shipment are subject to a 5% rescheduling fee. If an order is canceled prior to the scheduled ship date, Buyer will be subject to the following cancellation charges: 0-30 days before shipment - 20% of order value; 31-60 days before shipment - 10% of order value; 60+ days - 0.

### 7. SOFTWARE LICENSE.

All Cognex standard system software (including firmware), vision tool software libraries and application software provided hereunder (collectively, the "Software") is provided to Buyer under license only, and not by sale. Cognex grants to Buyer a non-exclusive, non-transferable license to use and sub-license the Software, object code version only, for use on or in conjunction with a single Cognex vision processor or other single hardware module capable of operating the Software. Except as may be required by applicable third party licenses or as expressly permitted herein, Buyer acknowledges that the reverse-engineering, decompilation, or disassembling of any portion or version of the Software, or the attempting of any of the foregoing, or the aiding or abetting of others to do so, is strictly prohibited and Buyer hereby waives any rights under any applicable law with respect thereto. Buyer further acknowledges that the Software qualifies as original works and constitutes copyrighted material, and that Buyer and/or its sub-licensees shall neither (i) make or distribute unauthorized copies of the Software, nor (ii) acquire any ownership rights in the Software. Buyer is expressly prohibited from using any portion or version of the Software with any other software or copyrighted work in such a way that any portion or version of the Software would be required by the license terms applicable to the other software or work to be (a) made available in source code form, (b) made available without charge or at minimal charge, (c) licensed for the creation of derivative works or (d) which would require Cognex or its licensors to grant any third party any rights or immunities under any intellectual property owned by or licensed to Cognex. Portions of the Software may include one or more components that are derived from software subject to a General Public License ("GPL"), Lesser General Public License ("LGPL") or other open source license. Any such components are licensed exclusively under the GPL, LGPL or other open source license, as applicable, and not under the software license terms hereinabove. Except as expressly licensed to Buyer hereunder, all rights, title and interests to and in the Software and all extensions, enhancements and modifications thereof shall remain at all times with Cognex and any third party holding a valid interest in the Software.

### 8. LIMITATION OF LIABILITY.

EXCEPT AS OTHERWISE PROVIDED HEREIN, COGNEX SHALL HAVE NO LIABILITY, OBLIGATION OR RESPONSIBILITY TO BUYER OR ANY OTHER PERSON OR ENTITY WITH RESPECT TO ANY HARM, LIABILITY, LOSS OR DAMAGE CAUSED OR ALLEGED TO BE CAUSED DIRECTLY OR INDIRECTLY BY PRODUCTS SOLD, LICENSED, OR FURNISHED BY COGNEX, INCLUDING BUT NOT LIMITED TO ANY INTERRUPTION OF SERVICE, LOSS OF BUSINESS OR ANTICIPATORY PROFITS RESULTING FROM THE USE OR OPERATION OF THE PRODUCTS PROVIDED HEREUNDER. IN NO EVENT SHALL COGNEX BE LIABLE FOR LOSS OF PROFITS, OR ANY INDIRECT, SPECIAL, OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY BREACH OF WARRANTY OR IN ANY MANNER ARISING OUT OF OR CONNECTED WITH THE SALE, LICENSING, USE, OR ANTICIPATED USE OF THE PRODUCTS. NOTWITHSTANDING THE

ABOVE, COGNEX'S LIABILITY FOR DAMAGES INCURRED BY BUYER OR THIRD PARTIES SHALL NOT EXCEED THE AMOUNT PAID BY BUYER FOR THE SPECIFIC PRODUCT INVOLVED.

**9. SUITABILITY DISCLAIMER.**

The performance of the Products depends on a variety of parameters (such as illumination, calibration, and image quality) which are beyond the control of Cognex.

Performance of the Products may vary considerably from one application to the next. COGNEX MAKES NO CLAIM, REPRESENTATION OR WARRANTY CONCERNING THE PERFORMANCE OR SUITABILITY OF THE PRODUCTS FOR OR IN BUYER'S APPLICATION. The assessment of usefulness and suitability of the Products for each application rests solely with Buyer.

**10. WARRANTY.**

Cognex warrants hardware Products of its manufacture to be free from defects in material and workmanship for a period of 12 month from shipment. If a hardware Product unit fails during the warranty period, the original Buyer (not other parties which may have physical possession of the hardware) shall notify Cognex and request a return authorization. The defective unit shall then be returned to Cognex's repair center by Buyer or its designate, freight prepaid, together with a failure report. It will either be repaired or replaced, at Cognex's option, and returned to Buyer or its designate, freight prepaid. Cognex is not responsible for providing replacement hardware during the repair period. The foregoing warranty shall not apply to defects resulting from (i) improper or inadequate maintenance by Buyer; (ii) Buyer-supplied equipment, hardware, software or interfacing; (iii) unauthorized modifications, misuse or accidents; (iv) operation outside of the environmental specifications of the Product; or (v) improper site preparation and maintenance. ALL SOFTWARE IS PROVIDED "AS IS".

**11. PATENT AND COPYRIGHT INFRINGEMENT INDEMNIFICATION.**

Cognex shall defend any claim, suit, or proceeding brought against Buyer by a third party insofar as such claim, suit or proceeding is based upon an assertion that the use or transfer of any Product delivered hereunder constitutes infringement of a patent or copyright, so long as Cognex is notified promptly by Buyer as to any such claim, suit or proceeding and is given full authority, information, and assistance (at Cognex's expense) in the defense thereof. Subject to the limitations described herein, Cognex shall indemnify Buyer for damages and costs awarded by a court of final judgement against Buyer as a result of Buyer's use or transfer of Products that are found to infringe another's copyright or patent rights; provided, however, that Cognex shall not be responsible for any compromise or settlement made without its written consent. In the event of a final judgment which prohibits Buyer's continued use of any Product by reason of infringement, or if at any time Cognex is of the opinion that any Product is likely to cause an action of infringement, Cognex may, at its sole discretion and expense, obtain the rights to continued use of such Product, replace or modify such Product so that the Product is no longer infringing, or remove the Product involved and refund to Buyer the price thereof, amortized over a five (5) year life. Notwithstanding the foregoing, in no event shall Cognex's liability to Buyer under this Section 10 exceed the amount paid by Buyer to Cognex for any allegedly infringing Product.

Buyer shall indemnify and hold Cognex harmless from any loss, damage, cost, expense or liability in connection with any claim, suit or proceeding brought against Cognex or Buyer insofar as it is based on a claim that the manufacture, sale, or use of any Product delivered hereunder constitutes patent or copyright infringement (i) because of the way the Product was modified, altered, or combined with any equipment, device, or software not supplied by Cognex, or (ii) because the Product was used in a manner for which it was not designed.

**12. FORCE MAJEURE.**

Cognex shall not be liable for delays in delivery or failure to manufacture due to causes beyond its reasonable control. In the event of any such delay or failure, Cognex shall be entitled to extend the delivery date by a commensurate period of time. Cognex shall have the right to cancel any order or to refuse or delay shipment if Buyer fails to meet payment terms or if there is any materially adverse change in Buyer's financial status.

**13. TERMINATION.**

In the event of Buyer's insolvency or inability to pay debts due, or voluntary or involuntary bankruptcy proceeding by or against Buyer, or appointment of a receiver or assignee for the benefit of Buyer's creditors, Cognex may elect to cancel any unfulfilled obligations to Buyer hereunder.

14. PRODUCT USAGE EXCLUSIONS. Products are not authorized, designed, or intended for use in; no warranty is made with respect to the use of Products in; and Buyer shall not permit the use of Products in any (i) nuclear equipment, (ii) aviation or aerospace equipment, (iii) weaponry, (iv) medical devices or systems intended for life support, intensive care or surgical implant into the human body, or (v) Life-Critical (as defined below) devices or systems (each a "Prohibited Use"), except with Cognex's prior written consent. The prohibitions of the preceding sentence also apply to the design, manufacture, construction, operation and maintenance activities associated with any Prohibited Use. "Life-Critical" devices or systems are defined as those (a) whose failure or malfunction may result in death or serious injury to people or environmental harm posing a serious risk to human health and safety or (b) which are designed to lose less than one life per billion hours of operation. Cognex disclaims any liability in connection with any Prohibited Use by Buyer, intermediary customers or end users, and any such Prohibited Use engaged in by a party contrary to this provision shall be entirely at such party's risk. Buyer shall include this provision in all terms of sale and contracts with its customers involving the use of the Products and require that this provision (or terms at least as strict as this provision) be further passed along to any intermediary customers and to end users.

15. MISCELLANEOUS.

Buyer shall not assign its right or delegate its duties to any other third party without prior written consent of Cognex. The parties agree that any dispute regarding interpretation or validity of these terms and conditions or relating in any manner to Products sold hereunder shall be governed by the laws of Japan, and subject to the jurisdiction of the District Court of Japan.