

**Standard Terms and Conditions of Sale (Schedule E) ((for OEM)(v7))**

**Acceptance by Seller of any offer to purchase is expressly limited to and conditioned upon the exact terms and conditions contained herein. It is a condition of Seller's acceptance that any deletion, addition, or amendment of the terms and conditions below (whether contained in a Buyer's purchase order, invoice, or other communication) shall have no effect and shall not constitute any part of a contract of purchase and sale without Seller's express written approval.**

- 1) **Price:** Unless otherwise stated by the Seller, prices, terms of payment and pricing policies will be those set forth in the Seller's pricing policies and published price schedules at the time of shipment.
- 2) **Title and Delivery:** Products shall be delivered FOB Seller's designated agent, or in the case of international delivery, shall be Ex-works (as defined by INCOTERMS 2000) at Seller's designated facility. Title to products and risk of loss or damage to the products shall pass to Buyer upon Seller's delivery of products to a carrier for shipment to the Buyer. Buyer shall bear all transportation, insurance, and other expenses associated with delivery of products to Buyer's facility. Any federal, state, municipal or other government excise, custom duties, sales, use, occupational or like tax shall be assumed and paid for by Buyer.
- 3) **Time of Delivery:** Seller shall not be liable for any loss or expense (including consequential, incidental, or otherwise) incurred by Buyer or Buyer's customers as a result of Seller's failure to meet a specified delivery schedule. Buyer's sole remedy for Seller's failure to meet a delivery schedule shall be cancellation of the order. However, Seller's time for making deliveries shall be extended for reasonable amounts of time based upon reasonable delays due to causes beyond the reasonable control of the Seller. Seller shall not be charged with any liability for delay or non-delivery when due to delays of suppliers, acts of God or the public enemy, compliance in good faith with any applicable foreign or domestic governmental regulation or order whether or not it proves to be invalid, fires, riots, labor disputes, unusually severe weather, or any other cause beyond the reasonable control of Seller.
- 4) **Software:** All software (including but not limited to embedded software and other code in hardware products) furnished to Buyer is on a licensed basis (the "Licensed Products). Seller grants to Buyer a non-exclusive license to use each Licensed Product, which license shall be transferable to any purchasers of the Licensed Products or goods of the Buyer, which embody the Licensed Products. Buyer shall not copy the Licensed Products or any portion thereof, except to make one (1) back-up copy. Buyer shall reproduce all copyright, trademark, trade secret and other proprietary notices contained in such back-up copy. Buyer may only use the back-up copy if the CPU becomes inoperative due to maintenance, malfunction or disaster. In no event may Buyer use the back-up copy concurrently with the use of the Licensed Products. Buyer shall not decompile, reverse engineer, reverse translate, or otherwise attempt or allow others to attempt to discover the source code of, the Licensed Products or any portion thereof.

- 5) **Customer Furnished Materials:** Materials, tools, dies, and other property furnished to Seller by Buyer shall be at Buyer's risk and expense.
- 6) **Product Changes:** Seller reserves the right to make product modifications or to discontinue products or services without notice. Buyer is advised to obtain latest written specifications and other relevant information from Seller.
- 7) **Warranty:** Products supplied hereunder shall have a warranty period of [365 days for OEM Camera Products and 30 days for Sensor Products] from the date of delivery of the products to Buyer. Seller warrants that such products, at the time of shipment, will be free from defects in material and workmanship and will conform in all material respects to Seller's approved specifications. If products are not as warranted, Seller, at its option and as Buyer's sole and exclusive remedy, shall either refund the purchase price or replace with same or equivalent products that meet this warranty, provided (a) Seller is promptly notified in writing upon discovery by Buyer that the products are non-conforming with a detailed explanation of any alleged deficiencies, (b) the products are returned to Seller, F.O.B. Seller, and (c) Seller's examination of the products shall disclose that such alleged deficiencies actually exist and were not caused by accident, misuse, neglect, alteration, improper installation, unauthorized repair, modification or improper testing; provided, however, that any modification, alteration or change to the Licensed Products, unless authorized by an officer of Imaging Solutions Group of New York, Inc. ("Licensor") in writing, shall, at the discretion of Licensor, terminate any rights or remedies provided to Buyer herein. If the products fail to conform to this warranty, Seller shall reimburse Buyer for the transportation charges paid by Buyer for the products. If Seller elects to replace the products, Seller shall have a reasonable time to make the replacement. Seller makes no representation or warranty as to any promotional goods, software or other items furnished by Seller.

EXCEPT FOR THE EXPRESS WARRANTY PROVIDED ABOVE SELLER DISCLAIMS ALL WARRANTIES ON PRODUCTS FURNISHED HEREUNDER, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

- 8) **Intellectual Property:** Ownership of all applicable copyrights, trademarks, trade secrets, patents, and other proprietary rights in the products, documentation, or specifications shall remain vested solely in Seller, and Buyer shall take no actions inconsistent with such ownership. Seller does not authorize, grant license to, or sell to Buyer any of Seller's intellectual property including but not limited to patents, copyrights, trademarks, trade secrets, designs, artwork or other proprietary rights through the purchase of Seller's products. Buyer agrees not to copy or reverse engineer, in whole or in part, any of Seller's products for any purpose whatsoever. Seller reserves all copyrights to artwork of Seller's products. Buyer may not copy in whole or in part any of Seller's artwork. Buyer may not utilize Seller's name or trade marks for any reason unless a written agreement for such a purpose is executed by an officer or designated employee of Seller.

- 9) **Time Limitation on Action:** No action shall be brought for any breach of these terms, contract action, tort action, claim of negligence or any other claim more than one year, after the accrual of the cause of action. The effect of the provision is to shorten the statutes of limitations, which might otherwise apply between the parties.
- 10) **Waiver:** The failure of Seller to enforce at any time any of the provisions, rights, or remedies of Seller under these terms, or to exercising any election or option provided herein, or so require any time or performance by Buyer or any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, rights, or remedies, nor in any way to affect the validity of these terms or any part thereof, or the right of Seller thereafter to enforce each and every such provision, right, or remedy.
- 11) **Notices:** All notices and demands of any kind, which either party maybe required, or desire to serve upon the other under these terms shall be in writing and shall be served by personal service or by mail at the designated address of the receiving party. All notices or demands made by mail shall be certified or registered mail, return receipt requested.
- 12) **Validity:** In the event that any of the provisions of this agreement shall be held to be unenforceable by a court of other tribunal or competent jurisdiction, the remaining portions of this agreement shall nevertheless remain in full force and effect.
- 13) **Cancellation:** If Buyer shall terminate or cancel the order herein specified, Buyer shall pay to the Seller the following amounts: (a) the purchase price for all products which have been completed in accordance with this order and not previously paid for; and (b) the actual costs plus a reasonable profit, not to exceed the aggregate purchase price specified in this order, of work-in-process and raw materials expended by Seller in furnishing the items or services under this order to the extent such costs are reasonable in amount and are properly allocated or apportioned under generally accepted accounting practices to the terminated portion of the order.
- 14) **Export:** Neither Seller nor any of its subsidiaries will export/re-export any Products, technical data, or derivatives of any Products or technical data, directly or indirectly (including the release of controlled technology to foreign nationals form controlled countries), to any country, entity or individual for which the United States government or any agency thereof requires an export license or other government approval without first obtaining such license.
- 15) **Entire Agreement:** This document constitutes the entire agreement for Seller to supply products to Buyer. It supersedes all previous communications, representations, or agreements, either oral or written, with respect to the subject matter hereof. No representations or statements of any kind made by any representative of Seller, which are not stated herein, shall be binding on Seller. No addition to or modifications of any provisions of the contract shall be binding on Seller unless made in writing and signed by a duly authorized representative of Seller at the Seller's principal place of business in Fairport, New York. No course of dealing or usage of trade or course of performance shall be relevant to explain or supplement any term expressed in this contract.

- 16) **Payment Terms:** All payments due Seller shall be paid within 30 days of invoice or as otherwise indicated. A monthly late payment penalty shall be charged on delinquent accounts at the rate of 1 ½ percent of the unpaid principal balance per month beginning on the first day of the month following the date on which payment is due. Additionally, any and all legal and collection fees incurred by Seller shall be the responsibility of and assessed to the Buyer.
- 17) **Intellectual Property Infringement:** Seller will not be liable for any claim of infringement of patents, copyrights or other intellectual property rights (“Infringement Claim”), unless due to infringement by goods manufactured by Seller in the form in which Seller supplies such goods to Buyer and without regard to their use by Buyer. If Buyer notifies Seller promptly of any such Infringement Claim and, if Seller so requests, authorizes Seller to defend or settle any suit or controversy involving such Infringement Claim, Seller will indemnify Buyer against the reasonable expenses of any such suit and will satisfy any judgment or settlement in which Seller acquiesces, but only to any amount not exceeding the price paid to Seller for the allegedly infringing goods. If an injunction is issued against the further use of allegedly infringing goods, Seller shall have the option of procuring for Buyer the right to use the goods, or replacing them with non-infringing goods, or of removing them and refunding the purchase price. The foregoing expresses the Seller’s entire and exclusive warranty and liability as to patents, copyrights or other intellectual property rights, and Seller will not be liable for any damages whatsoever suffered by reason of any infringement claimed, except as provided herein.
- 18) **Restrictions on Use:** Seller’s products are not intended or authorized for use in products surgically implanted into the body, for life support products or for other products for which a product failure could cause personal injury or death. Further, Seller’s products are not intended or authorized for use in the following applications that use a Silicon Video, Inc. Image Sensor: (a) color matching or measure of color for opacity and density attributes in the 360nm to 860nm spectrum, (b) dental radiography and (c) bone densitometry. If Buyer or Buyer's customers use or permit the use of Seller’s products for such unintended or unauthorized uses specified above, Buyer agrees, at its expense, to defend, indemnify and hold Seller, its officers, employees and distributors harmless against any claims, damages and liabilities (including reasonable attorney’s fees and costs) brought or threatened against Seller, its officers, employees and distributors relating thereto.