IMPORTANT – PLEASE READ CAREFULLY. THIS IS A LEGAL AGREEMENT BETWEEN YOU ("LICENSEE") AND MATROX ELECTRONIC SYSTEMS LTD. ("MATROX") CONCERNING THE PRODUCT ACCOMPANYING THIS AGREEMENT. IF YOU DO NOT AGREE TO THE TERMS OF THIS AGREEMENT, RETURN THE SOFTWARE, ALONG WITH ALL ASSOCIATED MATERIAL WITHIN TEN (10) DAYS TO MATROX ELECTRONIC SYSTEMS LTD., 1055 ST-REGIS BLVD., DORVAL, QUEBEC, CANADA H9P 2T4 OR AN AUTHORIZED REPRESENTATIVE OF MATROX.

In consideration of valuable consideration and the mutual promises herein contained, the parties agree as follows:

AGREEMENT

1. Key terms.

    1.1. Subject to the terms and conditions of this Agreement, Matrox grants to Licensee a non-exclusive, non-transferable and non-assignable limited license to use the Licensed Software as part of the Matrox Imaging Operating System running on a Matrox Hardware.

    1.2. Licensee hereby agrees and acknowledges that Matrox owns all right, title, and interest in the Licensed Software and Licensee will not contest those rights or engage in any conduct contrary to those rights.

    1.3. The Licensed Software contains material that is protected by copyright laws and trade secret laws, and by international treaty provisions. The Licensed Software may be protected by one or more patents. See www.matrox.com/patents. All rights not granted to Licensee by this Agreement are expressly reserved by Matrox.

    1.4. Matrox warrants that the Licensed Software shall perform substantially in accordance with the documentation for a period of one (1) year after the Effective Date (the "Initial Warranty Period").

2. Definitions.

The following terms, when used in this Agreement, shall have the following meanings:

2.1. "Licensed Software" shall mean associated packages for the Matrox Imaging Operating System, and includes any addition, correction, enhancement, fix, modification, update or upgrade provided to Licensee by Matrox at Matrox's discretion.

2.2. "Matrox Hardware" shall mean a Matrox smart camera, vision controller or industrial personal computer.

2.3. "Run" shall mean the action to execute binary software code on a computer processor.

2.4. "Documentation" shall mean Matrox's then current printed or electronic documentation for the Licensed Software.

2.5. "Effective Date" shall mean the original purchase date of the Matrox Hardware from Matrox or an authorized distributor or representative.

matrox

3. Software License.

   3.1. License Grant. Subject to the terms and conditions of this Agreement, Matrox grants to Licensee:

   A. non-exclusive, non-transferable and non-assignable limited license to use the Licensed Software as part of the Matrox Imaging Operating System running on a Matrox Hardware.

   B. PRE-RELEASE LICENSE: If you are using a version of the Licensed Software that is designated as an alpha, beta, engineering sample, preliminary or early access version of the Licensed Software, then; (a) the Licensed Software is deemed to be pre-release code (e.g., alpha or beta, engineering sample, preliminary, early access, etc.), which may not be fully functional and which Licensor may substantially modify in development of a commercial version, and for which Licensor makes no assurances that it will ever develop or make generally available in a commercial version, and (b) Licensee shall have the right to use the Licensed Software only for the duration of the pre-release term or until the commercial release, if any, of the Licensed Software, whichever is shorter. For clarity, a remedy to any bug, defect, error or fault in any pre-release version of the Licensed Software will absolutely require upgrading to a new version of the Licensed Software. Matrox reserves the right to change any content of this new version of the Licensed Software at its sole discretion.

   3.2. Restrictions On Use. Licensee's use of the Licensed Software shall be subject to the following restrictions:

   A. The Licensed Software shall be used solely by Licensee as part of the Matrox Imaging Operating System running on a Matrox Hardware;

   B. Licensed Software features or privileges activated or enabled for a provisional term will cease to operate or work after the specified period;

   C. Licensee shall not copy, duplicate, reproduce, adapt, alter, modify, make derivative works of, merge and port the Licensed Software except as authorized herein;

   D. Licensee shall not sell, export, distribute, rent, assign, transfer or sub-license the Licensed Software and/or Documentation except as authorized herein;

   E. Licensee shall not make copies, reproduce, redistribute, make verbal or media translations, communicate to any third party for any purpose or use the Documentation for any other purpose, unless Licensee has received a specific prior authorization to do so, in writing, from Matrox;

matrox

F. Licensee shall not cause the Licensed Software in any way to be disassembled, decompiled, reverse engineered or otherwise translated, nor shall any attempt to do so be undertaken or permitted, even if permitted under any provision of any applicable laws;

G. Licensee shall not make the Licensed Software available for access or use by any person or entity other than Licensee's employees, including, but not limited to, on a time-sharing basis or acting as a service bureau except as authorized herein;

H. Licensee shall not upload, post, publish or create derivative works of the Licensed Software except as authorized herein;

I. Licensee shall not use the Licensed Software for any unlawful purpose, including, without limitation, infringement of the Intellectual Property Rights of others, or in any illegal manner or for creation or distribution of illegal content and

J. Licensee shall not use Matrox's name, logo or trademark to market Licensee's products unless previously authorized by Matrox in writing.

3.3. Ownership. This Agreement does not grant to Licensee any ownership interest in the Licensed Software. Rather, Licensee has a license to use the Licensed Software as provided in this Agreement. Licensee hereby agrees and acknowledges that Matrox owns all right, title, and interest in the Licensed Software and Licensee will not contest those rights or engage in any conduct contrary to those rights. Any copy, modification, revision, enhancement, adaptation, translation, or derivative work of or created from the Licensed Software made by or at the direction of Licensee shall be owned solely and exclusively by Matrox, as shall all patent rights, copyrights, trade secret rights, trademark rights, and all other proprietary rights, worldwide (all of the foregoing rights taken together being referred to collectively herein as "Intellectual Property Rights") therein and thereto.

3.4. Copyright, Patent and Trademarks. The Licensed Software contains material that is protected by copyright laws and trademark laws, and by international treaty provisions. The Licensed Software may be protected by one or more patents. See www.matrox.com/patents. All rights not granted to Licensee by this Agreement are expressly reserved by Matrox. Licensee shall not remove any proprietary notice of Matrox from any copy of the Licensed Software. Licensee shall reproduce and include the copyright, trademark, or other restrictive and proprietary notices and markings from the original on all copies of the Licensed Software.

4. Term. This Agreement shall be effective as of the Effective Date and shall continue to be in effect for an initial two (2) year term from the Effective Date unless terminated earlier in accordance with this Agreement. Provided that this Agreement has not been terminated and

matrox

Licensee has complied with all the terms and conditions herein, this Agreement shall automatically renew for consecutive one (1) year terms.

5. Confidentiality.   In the performance of this Agreement, each party may have access to confidential, proprietary or trade secret information owned and provided by the other party relating to software computer programs, object code, source code, documentation, marketing plans, business plans, customers, financial information, specifications, business processes, flow charts and other data ("Confidential Information"). All Confidential Information supplied by one party to another pursuant to this Agreement shall remain the exclusive property of the disclosing party. The receiving party shall use the Confidential Information only for the purposes of this Agreement and shall not copy, disclose, convey or transfer any of the Confidential Information or any part thereof to any third party, excluding the party's authorized employees and agents who may receive pertinent Confidential Information on a need to know basis and who have a confidentiality agreements. Each party will implement adequate procedures with its employees or other persons permitted or who have access to the Confidential Information to satisfy their obligations under this Agreement. Neither party shall have any obligation with respect to Confidential Information which: (i) is or becomes generally known to the public by any means other than a breach of the obligations of a receiving party; (ii) was previously known to the a receiving party or rightly received by a receiving party from a third party; or (iii) is independently developed by or at the receiving party.

6. Limited Warranty.

    Matrox warrants that the Licensed Software shall perform substantially in accordance with the documentation for a period of one (1) year after the Effective Date (the "Initial Warranty Period") and with adequate proof of purchase. Licensee shall provide written notice of any warranty failure to Matrox not less than five (5) days prior to the end of the Initial Warranty Period. Such notice shall specify with particularity the nature of any such failure. Matrox shall not be responsible for any errors or nonconformities in the Licensed Software resulting from Licensee's misuse, negligence, or modification of the Licensed Software.

7. Disclaimer of Warranties. EXCEPT AS PROVIDED IN SECTION 6, MATROX EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS AND IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. MATROX DOES NOT WARRANT THAT THE LICENSED SOFTWARE OR DOCUMENTATION WILL MEET LICENSEE'S REQUIREMENTS, THAT THE LICENSED SOFTWARE IS COMPATIBLE WITH ANY PARTICULAR HARDWARE OR SOFTWARE PLATFORM, OR THAT THE OPERATION OF THE LICENSED SOFTWARE WILL BE UNINTERRUPTED OR ERROR-FREE, OR THAT DEFECTS IN THE LICENSED SOFTWARE OR DOCUMENTATION WILL BE CORRECTED. THE ENTIRE RISK AS

matrox

TO THE RESULTS AND PERFORMANCE OF THE LICENSED SOFTWARE IS ASSUMED BY LICENSEE. FURTHERMORE, EXCEPT AS PROVIDED IN SECTION 6, MATROX DOES NOT WARRANT OR MAKE ANY REPRESENTATION REGARDING THE USE OR THE RESULTS OF THE USE OF THE LICENSED SOFTWARE OR RELATED DOCUMENTATION IN TERMS OF THEIR CORRECTNESS, ACCURACY, QUALITY, RELIABILITY, APPROPRIATENESS FOR A PARTICULAR TASK OR APPPLICATION, CURRENTNESS, OR OTHERWISE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY MATROX OR MATROX'S AUTHORIZED REPRESENTATIVES SHALL CREATE A WARRANTY OR IN ANY WAY INCREASE THE SCOPE OF WARRANTIES PROVIDED IN THIS AGREEMENT.

8. Limitation of Liability. IN NO EVENT SHALL MATROX BE LIABLE TO LICENSEE OR ANY THIRD PARTY FOR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES (INCLUDING, WITHOUT LIMITATION, INDIRECT, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES FOR LOSS OF BUSINESS, LOSS OF PROFITS, BUSINESS INTERRUPTION, LOSS OF DATA, OR LOSS OF BUSINESS INFORMATION) ARISING OUT OF OR CONNECTED IN ANY WAY WITH THE USE OF OR INABILITY TO USE THE LICENSED SOFTWARE OR DOCUMENTATION, OR FOR ANY CLAIM BY ANY OTHER PARTY, EVEN IF MATROX HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. MATROX'S TOTAL LIABILITY AND CUMULATIVE LIABILITY TO LICENSEE FOR ALL DAMAGES, LOSSES, AND CAUSES OF ACTION (WHETHER IN CONTRACT, INFRINGEMENT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE) SHALL NOT EXCEED THE FEES PAID UNDER THIS AGREEMENT IN THE TWELVE MONTHS PRIOR TO THE INSTITUTION OF ANY PROCEEDING. MATROX SHALL NOT BE LIABLE FOR DAMAGES OR COSTS OF ANY NATURE ARISING FROM THE EXPIRATION OR TERMINATION OF THIS AGREEMENT IN ACCORDANCE WITH ITS TERMS.

9. Disclaimer of Warranties and Limitation of Liabilities for Third Party Software and Hardware Included with Matrox Products. All third party software or hardware included with Matrox products is included on an "AS IS" basis. MATROX MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, REGARDING ANY THIRD PARTY SOFTWARE AND HARDWARE, OR ITS USE AND OPERATION ALONE OR IN COMBINATION WITH LICENSEE PRODUCTS. Neither Licensee, nor its employees, agents, or distributors have any right to make any other representation, warranty or promise with respect to all third party software or hardware included with Matrox products.

Matrox has no obligation to indemnify, defend or hold Licensee harmless from and against any claim that any third party software infringes any third party patent, copyright, trademark

matrox

or other intellectual property right. Licensee will promptly notify Matrox in writing of any such claim.

Matrox has no obligation to indemnify, defend or hold Licensee harmless from and against any claims of infringement of intellectual property that reads upon or is infringed by a generally recognized audio, video, technology or patent standard or recommendations, including without limitation AVC/H.264, IEEE 1394, JPEG, JPEG2000 and MPEG-4.

10. Indemnification by Licensee. Licensee shall indemnify, hold harmless and, at Matrox's option, defend, Matrox and its directors, officers, agents, employees, members, subsidiaries, and affiliates from and against any claim, action, proceeding, liability, loss, damage, cost, or expense (including, without limitation, attorneys' fees), arising out of or in connection with Licensee's use of the Licensed Software or Documentation including, but not limited to, infringing upon or constituting a misappropriation of any patent, copyright, trade secret or other intellectual or industrial property rights. Licensee will promptly notify Matrox of any such claims it receives. Matrox will promptly notify Licensee of any claims for which Licensee is obligated to indemnify Matrox under this paragraph and will provide reasonable cooperation and assistance in connection with such claims. In no event may Licensee enter into any third party agreements which would in any manner whatsoever affect the rights of, or bind Matrox in any manner to said third party, without the prior written consent of Matrox. Matrox will have no obligations under this section or otherwise with respect to any infringement claim in whole or in part based upon any direct, contributory or other infringement related to the Licensed Software, Documentation, or the use thereof, with respect to (including conformance to) any standards promulgated, revised or maintained by a standards organization, standards bodies or similar private or public organization, including, without limitation, the various standards promulgated by the MPEG Licensing Authority, LLC (or MPEG LA). Matrox has no obligation to indemnify, defend or hold Licensee harmless from and against any claims of infringement of intellectual property that reads upon or is infringed by a generally recognized audio, video, technology or patent standard or recommendations, including without limitation AVC/H.264, IEEE 1394, JPEG, JPEG2000 and MPEG-4.

11. UNAUTHORIZED USE. THE MATROX LICENSED SOFTWARE AND ANY DOCUMENTATION RELATED THERETO ARE NOT DESIGNED, INTENDED, WARRANTED OR AUTHORIZED FOR USE IN ANY TYPE OF SYSTEM OR APPLICATION IN WHICH THE FAILURE OF THE LICENSED SOFTWARE COULD CREATE A SITUATION WHERE PERSONAL INJURY, HAZARD TO THE ENVIRONMENT OR DEATH MAY OCCUR (E.G., NUCLEAR FACILITIES, AIRCRAFT NAVIGATION, MEDICAL SYSTEMS, LIFE SUSTAINING OR LIFESAVING SYSTEMS). Licensee shall indemnify and hold Matrox and its officers, subsidiaries and affiliates harmless against all claims, costs, damages, and expenses, and reasonable attorney fees arising out of, directly or indirectly, any claim of product liability,

matrox

personal injury or death associated with such unintended or unauthorized use of the Licensed Software or Documentation, even if such claim alleges that Matrox was negligent regarding the design or manufacture of the Licensed Software. LICENSEE WILL NOT USE, OR PERMIT TO BE USED, THE LICENSED SOFTWARE FOR SUCH HIGH-RISK, FAIL-SAFE OR CRITICAL APPLICATIONS.

12. Termination.

12.1. Termination upon Event of Default. If any party:

A. Breaches any covenant, obligation, representation, or warranty under this Agreement (other than those described in paragraph B below, and fails to cure such breach within thirty (30) days after its receipt of written notice thereof from the other party of any other such breach; or

B. Breaches any covenant, obligation, representation, or warranty under this Agreement relating to confidentiality, scope of use, use restrictions, or proprietary rights (including Intellectual Property Rights), it being agreed that any such breach shall be a material breach hereof; or

C. Voluntarily or involuntarily suspends, terminates, winds-up, or liquidates its business, becomes subject to any bankruptcy or insolvency proceeding under applicable law; or becomes insolvent or subject to direct control by a trustee, receiver, or similar authority, then, upon the occurrence of such event (each, an "Event of Default"), the other party may terminate this Agreement by giving notice of such termination to the defaulting party and/or may exercise any and all rights and remedies under this Agreement, at law, or in equity.

12.2. Effect of Termination. On and after the effective date of any termination of this Agreement, Licensee shall cease all use of the Licensed Software. Within ten (10) days of the effective date of termination of this Agreement by either party, Licensee shall, at its own expense, return to Matrox (or destroy) all documentation and other tangible materials provided by Matrox hereunder in connection with the Licensed Software, together with a certificate signed by one of Licensee's officers attesting to such return or destruction. Each party shall remain liable to the other party for all charges, obligations, and liabilities that accrue or arise under this Agreement from any event, occurrence, act, omission, or condition transpiring or existing prior to the effective date of such termination. Notwithstanding the foregoing, Licensee's customers may continue to use the Licensed Software as part of the Matrox Imaging Operating System running on a Matrox Hardware already deployed, paid for and shipped to such Licensee's customers prior to termination.

matrox

12.3. Limitation of Actions. Licensee shall not bring any action against Matrox arising out of or related to this Agreement or the subject matter hereof more than one (1) year after the occurrence of the event which gave rise to such action.

13. Equitable Relief. Licensee acknowledges and agrees that Matrox will be irreparably injured if the provisions of Sections 3 (Software License) and 5 (Confidentiality) are not capable of being specifically enforced, and agree that Matrox shall be entitled to equitable remedies for any breach of sections 3 and 5, in addition to, and cumulative with, any legal rights or including the right to damages.

14. Independent Contractor. Matrox acknowledges that it is at all times acting as an independent contractor under this Agreement and except as specifically provided herein, not as an agent, employee, joint venture, or partner of Licensee.

15. Force Majeure. Matrox shall not be responsible for failures of its obligations under this Agreement to the extent that such failure is due to causes beyond Matrox's control including, but not limited to, acts of God, war, acts of any government or agency thereof, fire, explosions, epidemics, quarantine restrictions, strikes, delivery services, telecommunication providers, labor difficulties, lockouts, embargos, severe weather conditions, delay in transportation, or delay of suppliers or subcontractors.

16. Choice of Law. This Agreement shall be construed and enforced in accordance with the laws of the Province of Québec, Canada. The courts of the Province of Québec, district of Montreal, shall have exclusive jurisdiction over any dispute directly or indirectly related to this Agreement.

17. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof, and supersedes all other prior and contemporary agreements, understandings, and commitments between the parties regarding the subject matter of this Agreement. This Agreement may not be modified or amended except by Matrox with adequate notice to Licensee. In particular, any provisions, terms, or conditions contained in Licensee's purchase orders or other similar forms that are in any way inconsistent with or in addition to the terms and conditions of this Agreement shall not be bidding upon Matrox.

18. Severability. If any provision of this Agreement is found to be invalid or unenforceable by any court, such provision shall be ineffective only to the extent that it is in contravention of applicable laws without invalidating the remaining provisions of the Agreement.

19. Assignment. Licensee shall not have the right to assign the benefit of this Agreement without the express written permission from Matrox. Upon receiving such written permission from Matrox, Licensee may only transfer or assign all their rights in the Licensed Software, provided Licensee transfers or assigns this Agreement in its entirety, the Licensed Software,

matrox

including all back-ups, copies of upgrades, modified versions, updates, additions licensed to Licensee by Matrox and all Documentation to third party, and that Licensee retains no copies. Matrox shall have the right to assign this Agreement upon notice to Licensee, and without Licensee's prior written consent, to the surviving entity of any corporate reorganization, merger, consolidation, sale or transfer of substantially all of its assets, or other form of acquisition involving Matrox.

20. Waiver. All waivers under this Agreement shall be in writing to be effective. No failure or delay by a party to exercise any right it may have by reason of the default of the other party shall operate as a waiver of default or as a modification of this Agreement or shall prevent the exercise of any right of the non-defaulting party under this Agreement.

21. Headings. Headings used in this Agreement are provided for convenience only and shall not be used to construe meaning or intent.

22. Language. The parties have agreed to draft this Agreement in English; les parties ont consenti à la rédaction de la présente convention en anglais.

23. Audit. Matrox shall have the right to audit Licensee, at Matrox's cost, upon a fifteen day notice and during regular business hours, at least once every twelve (12) months to ensure compliance with the terms of this Agreement.

24. Export and Import Laws. The Licensed Software is subject to any and all laws, regulations, orders or other restrictions relative to export, re-export or redistribution that may now or in the future be imposed by the government of the United States or foreign governments. Licensee agrees to comply with all such applicable laws and regulations, rules, orders and other requirements, now or hereafter in effect, of any applicable governmental authority in their performance of this Agreement. Without limiting the generality of the foregoing, the parties hereto will comply with all export and import control laws and regulations in its use and distribution of the Licensed Software, derivative works and developed ware.

25. Notices and Other Communications. All notices which shall be given by either party under the terms of this Agreement shall be in writing and shall be hand delivered, sent by facsimile transmission, electronic mail, or sent by certified mail (return receipt requested), addressed to the Contact person (as such may change from time to time) below. All such notices shall be deemed given upon receipt, but in no case, later than three (3) business days after mailing for notices sent via certified mail.

The Contact is:

Matrox Legal Department
1055 St. Regis Blvd.
Dorval, Québec H9P 2T4

matrox

Canada
Phone: (514) 822 6000
Fax: (514) 822 6241
E-mail: legal@matrox.com

matrox