These standard terms and conditions of sale are the only terms and conditions, oral or written, applying to the sale of equipment, Software, other products or services (“Product”) to Purchaser from FARO Technologies, Inc. (“FARO”), its affiliates, subsidiaries and related companies except for additional terms consistent with these standard terms and conditions on prices, quantities, delivery schedules, and the description of the Products as set forth in an order or quotation issued by FARO or approved by FARO (each, an “Order”). FARO hereby objects to and rejects any other terms or conditions appearing on, incorporated by reference in or attached to any purchase order, acceptance, acknowledgement, invoice, transmittal or other document and FARO’s acceptance of any Order is expressly made conditional on Purchaser's acceptance of these standard terms and conditions. FARO’s failure to object to any provision contained in a document or communication from Purchaser shall not be a waiver of these standard terms and conditions. If any conflict exists between local law and any section of these terms and conditions, the local law shall apply and replace only that section.

ACCEPTANCE OF THESE STANDARD TERMS AND CONDITIONS AND ANY ORDER, BOTH OF EITHER OF WHICH MAY BE DELIVERED TO PURCHASER IN ELECTRONIC FORM BY FARO, SHALL BE DEEMED TO HAVE OCCURRED UPON THE EARLIER OF EXECUTING OR ACCEPTING THESE STANDARD TERMS AND CONDITIONS OR TAKING DELIVERY OF ANY PRODUCTS. ANY DEVIATION FROM, OR EXCEPTIONS TO, THESE TERMS AND CONDITIONS MUST BE IN WRITING AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF FARO.

All capitalized terms used but not defined in the body of this document are defined in Section 10.00 (Definitions).

1.0 Payment of Purchase Price

1.01 Subject to credit approval by FARO and except as otherwise expressly set forth in an Order, the Purchase Price for Product shall be paid to FARO within thirty (30) days from the date of FARO’s invoice. If FARO determines not to extend credit to Purchaser, FARO reserves the right to require Purchaser to pay for Product by wire transfer prior to shipment. FARO shall be entitled to issue an invoice upon shipment of Product. FARO has the right to charge interest on late Purchase Price payments at a rate of 1.5% per month (18% per annum).

1.02 Purchaser shall also pay FARO for any and all governmental taxes, charges or duties of every kind (excluding any tax based upon FARO’s income) that FARO may be required to pay with respect to the production, transportation, export, import, storage, delivery, purchase, sale, or use of Product. Purchaser shall provide FARO, on request, with properly completed exemption certificates for any tax or duty from which Purchaser claims an exemption.

1.03 Purchaser grants to FARO a security interest in all Product sold pursuant to the Order, which FARO may perfect by filing a UCC Financing Statement or by other filings, registrations, or notices as may be required. Any such security interest will remain in effect until FARO has received payment in full of the Purchase Price together with interest on any late Purchase Price payments.

1.04 If Purchaser fails to make full payment of the Purchase Price in accordance with the terms set forth in the Order, FARO shall, at its sole option, have the right to the following remedies, which shall be cumulative and not alternative and which are not exclusive:

a. the right to cancel the Order and enter Purchaser’s premises to re-take possession of Product, in which event Purchaser agrees that any down payment or deposit for Product shall be forfeited to FARO as liquidated damages and not as a penalty, and all costs incurred by FARO in connection with the removal and subsequent transportation of Product shall be payable by Purchaser upon written demand;

b. the right to enter Purchaser’s premises and remove any Software, components of Product or other items necessary to render Product inoperative;

c. the right to withhold all services which would otherwise be required to be provided by FARO pursuant to the Warranties set out in Section 4.00 (Warranties and Exclusions; Exclusive Remedies and Disclaimers) hereof;

d. the right to terminate any existing Software license agreement with Purchaser; and

e. the right to pursue any other available remedy, including without limitation suing to collect any remaining balance of the Purchase Price (i.e., accelerate the payment of the Purchase Price, causing the entire balance to immediately become due and payable in full).

1.05 Except as expressly set forth in Section 4.06 (Factory Repairs), FARO does not permit returns on any Products shipped. In addition, FARO does not permit returns of Software delivered digitally, including Software downloaded by Purchaser or Software activated by a product key received by Purchaser via electronic mail, flash drive, memory card, or similar type of electronic delivery system.

1.06 No waiver by FARO of its rights under these terms and conditions shall be deemed to constitute a waiver of subsequent breaches or defaults by Purchaser. In the event more than one Product is being purchased pursuant to the Order, unless otherwise set forth herein, each payment received by FARO from Purchaser shall be applied pro rata against the cost of each Product rather than being applied to the Purchase Price of any Product.

1.07 Purchaser shall pay FARO all costs and expenses of collection, suit, or other legal action to enforce the Order, including, but not limited to, all actual attorneys' and paralegal fees and collection costs. FARO may assign any cause of action that it has against Purchaser without Purchaser's consent.
2.0 Delivery and Transportation

2.01 Delivery dates set forth in the Order are estimates and not guarantees and are based upon conditions at the time such estimate is given.

2.02 FARO shall not be liable for any loss or damage, whether direct, indirect or consequential, resulting from delivery of Product past the estimated delivery date. If Product is not delivered within 90 days of the estimated delivery date, Purchaser’s sole remedy shall be to cancel the Order and to recover from FARO, without interest or penalty, the amount of the down payment or deposit and any other part of the Purchase Price which has been paid by Purchaser. Notwithstanding the foregoing, such right of cancellation shall not extend to situations where delayed delivery is due to a Force Majeure Event (as defined in Section 9.01 (Force Majeure/ Entire Agreement / Governing Law / Miscellaneous)). Any delays resulting from a Force Majeure Event shall extend estimated delivery dates by the length of such delay.

2.03 If there is a shortage of Product, excessive demand for Product, or any other reason for which FARO is unable to supply the full amount of Product specified in Purchaser's Order, FARO reserves the right to allocate its available supply of Product among its customers and distributors. The allocation of Product shall be in such a manner and in such amounts as FARO determines in its sole discretion.

2.04 Responsibility for all costs and risks in any way connected with the storage, transportation, and installation of Product shall be borne entirely by Purchaser. If any disagreement arises as to whether or not damage to Product was in fact caused in storage, in transit, or on installation, the opinion of FARO’s technical advisors, acting reasonably, shall be conclusive.

2.05 Unless otherwise agreed to by FARO in an Order, Product shall be delivered by FARO at FARO’s premises EXW (Ex Works) as defined in Incoterms 2010.

3.0 Installation, Operator Training and Maintenance

3.01 Purchaser shall be responsible for installation of Product, including, without limitation, the preparation of its premises, the uncrating of Product, and setting up of Product for operation.

3.02 Subject to Section 4.00 (Warranties and Exclusions; Exclusive Remedies and Disclaimers), Purchaser shall be responsible for all maintenance of Product.

3.03 FARO shall invoice training with other Products set forth in the Order, if applicable. Purchaser shall have six (6) months from the date of invoice ("Training Period") to complete training. If training is not completed within the Training Period, FARO may refuse to conduct training at its discretion. Any training not completed within the Training Period is forfeited by the Purchaser.

3.04 Understanding that training is invoiced upon ordering the training and paid in advance, there may be additional penalties for changing training dates in some circumstances. Purchaser may freely cancel or reschedule a confirmed training class with more than ten (10) working days’ notice prior to the date of the scheduled training class at no additional cost. If the Purchaser cancels or reschedules a confirmed training class with less than ten working days’ notice prior to the date of the scheduled training class, but prior to the date of training, Purchaser may be charged up to an additional fifty percent (50%) of the cost of training to reschedule. Rescheduling training on the date of training is not allowed. Any training that is not attended by Purchaser on the confirmed date of the training must be repurchased by Purchaser to be rescheduled.

4.0 Warranties and Exclusions; Exclusive Remedies and Disclaimers

4.01 Subject to Section 4.05, FARO warrants that any Product (but excluding Software and services) shall be free from material defects in workmanship or material under normal conditions of use, service and maintenance. FARO makes no warranty that any Product will operate in an uninterrupted or error free manner.

4.02 Subject to Section 4.05, FARO warrants that any Software shall operate substantially according to written user documentation provided by FARO. FARO makes no warranty that any Software will operate in an uninterrupted or error free manner.

4.03 The warranties set out in paragraphs 4.01 and 4.02 above (together, the “Warranties”) shall expire on the date of invoice ("Training Period"), at the end of the month during which the Product is shipped.

4.04 To properly make a claim under the Warranties, Purchaser must deliver written notice of the claim to FARO during the Warranty Period, at FARO’s contact information set forth on the Order, together with a description of such claim in reasonable detail. Within a reasonable time following receipt of such proper notice, FARO shall have Product diagnosed by its service personnel. Nothing herein contained shall be construed as obligating FARO to make service, parts, or repairs available for any claim reported after the expiration of the Warranty Period. If Product is determined by FARO, in its reasonable opinion, to be covered by and in breach of the Warranties, FARO will, as Purchaser’s sole and exclusive remedy, repair or adjust Product to the extent determined by FARO to be necessary or, at the option of FARO, will replace Product with replacement Product, of equal or greater performance, or parts therefor at no cost to Purchaser, other than the cost of shipping Product to FARO pursuant to Section 4.06. If Product is determined by FARO, in its reasonable opinion, not to be covered by or not to be in breach of the Warranties, Purchaser shall pay the amount that FARO would otherwise charge for an evaluation under a non-warranty service evaluation. As for such additional needed repairs, FARO shall quote Purchaser for such, which Purchaser can choose or reject such service at its discretion, and return shipping to Purchaser will be at Purchaser’s cost and expense.

4.05 The Warranties shall not apply to or cover:

   a. Any defects in any component of a Product if, in the reasonable opinion of FARO, (i) Product has been improperly stored, installed, operated, or maintained; (ii) the defect was caused by or relates to misuse or extraordinary use of Product, or to use of Product outside the abilities for which Product was designed and manufactured; (iii) Purchaser has permitted unauthorized modifications, additions, deletions, adjustments and/or repair to any Software, hard drive structure, or content, or any other part of Product, or which might otherwise affect Product; or (iv) the defect was caused by, or repairs are required as a result of, causes external to FARO workmanship or the materials used by FARO. As used herein, “unauthorized” means that which has not been approved and authorized by FARO in writing.

   b. Minor preventive and corrective maintenance, including, but not limited to, replacement of fuses, fan filter cleaning and system clock battery replacement.
c. Any Product or component which was sold or transferred to any party other than the original Purchaser unless transferred in accordance with Section 4.11 or FARO’s prior express written consent is obtained.
d. Any defect in or related to Product which FARO cannot duplicate with reasonable effort.
e. Any defect in or related to Product caused by materials, including hardware, software, or data not supplied by FARO.
f. Any defect caused or resulting from accident; physical, electrical or magnetic stress; failure of electric power, air condition or environmental controls; or use in or with defective or non-compatible equipment, hardware, software or data.
g. Any defect or problem caused by changes in the operating characteristics of computer systems, hardware, or software developed after Product is delivered.
h. Any Product exported by Purchaser outside of the country of purchase.
i. Any demonstration or used Product.
j. Any services of FARO. ALL SERVICES OF FARO ARE PROVIDED TO PURCHASER “AS IS” WITHOUT WARRANTY OF ANY KIND.
k. Any Third-Party Product sold or included with the Products. Such Third-Party Products are provided with the manufacturer’s warranties, if any, which FARO is permitted to pass on to Purchaser. OTHERWISE, SUCH THIRD-PARTY PRODUCTS ARE PROVIDED TO PURCHASER “AS IS” WITHOUT WARRANTY OF ANY KIND.

4.06 Factory Repairs

a. Purchaser agrees to ship Product to FARO in the original packing container.
b. Shipping charges due by Purchaser exclude brokerage fees, duties, taxes and VAT.
c. IF PRODUCT IS UNDER STANDARD WARRANTY: Purchaser agrees to ship Product to FARO at Purchaser’s sole cost and expense. FARO will return the repaired or replacement Product to Purchaser at FARO’s sole cost and expense.
d. IF PRODUCT IS UNDER A SEPARATE PREMIUM SERVICE PLAN: When practical, as determined by FARO in its sole discretion, and subject to availability, FARO will make available to Purchaser substitute component parts or substitute Product, of equal or better performance (“Temporary Replacements”), as appropriate, while Purchaser’s Product is undergoing repair. Shipping charges for these Temporary Replacements will be the responsibility of FARO.
e. IF PRODUCT IS NOT UNDER ANY WARRANTY: Purchaser shall be responsible for the cost of any repair or replacement of any part, Software or Product, together with all shipping charges related to such repair or replacement.

All charges shall be estimated and prepaid by Purchaser to FARO prior to commencement of repairs.

4.07 FARO may utilize new or refurbished components of Product to perform any Warranty service.

4.08 Purchaser’s sole and exclusive remedy, and FARO’s sole and exclusive liability hereunder, with respect to breach of warranty related to any Product, consists of the obligation to repair, adjust, or replace Product, with a similar or newer product, as provided in Section 4.04.

4.09 DISCLAIMER OF WARRANTIES. THE WARRANTIES SPECIFIED IN THIS SECTION 4.00 ARE THE COMPLETE WARRANTIES BETWEEN FARO AND PURCHASER. THEY SUPERSEDE ALL PROPOSALS, PROMOTIONS, ADVERTISEMENTS, REPRESENTATIONS, OR PRIOR WARRANTIES, VERBAL OR WRITTEN, AND ANY COMMUNICATIONS BETWEEN THE PARTIES RELATING TO THE SUBJECT MATTER OF THESE WARRANTIES. EXCEPT FOR THE EXPRESS WARRANTIES SPECIFIED IN THIS SECTION 4.00, FARO EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, STATUTORY OR OTHERWISE, INCLUDING BUT NOT LIMITED TO IMPLIED CONDITIONS AND WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, CORRESPONDENCE WITH DESCRIPTION OR QUALITY, AND NON-INFRINGEMENT.

4.10 FARO does not authorize any person (whether natural or corporate) to assume for FARO any liability in connection with or with respect to Product. No agent or employee of FARO has any authority to make any representation or promise on behalf of FARO, except as expressly set forth herein or in the Order, or to modify the terms or limitations of the Warranties. No verbal statements shall be binding upon FARO.

4.11 The Warranties extend only to Purchaser and are transferable by Purchaser only under the following conditions:

a. Product is currently within the Warranty Period;
b. The new owner is, or becomes, a Certified User; and
c. FARO Customer Service is informed of and approves of the transfer.

4.12 All claims under the Warranties must originate with Purchaser, or any subsequent owner that becomes a Certified User approved by FARO Customer Service, and Purchaser will indemnify, defend and hold FARO harmless from any and all claims, liabilities, damages, costs and expenses for breach of warranty asserted against FARO by any third-party.

4.13 PURCHASER ACKNOWLEDGES THAT IT HAS PURCHASED PRODUCT BASED UPON ITS OWN KNOWLEDGE OF THE USES TO WHICH PRODUCT WILL BE PUT. FARO SPECIFICALLY DISCLAIMS ANY WARRANTY OR LIABILITY RELATED TO THE FITNESS OF PRODUCT FOR ANY PARTICULAR PURPOSE OR ARISING FROM THE INABILITY OF PURCHASER TO USE PRODUCT FOR ANY PARTICULAR PURPOSE.

4.14 FARO is an equal opportunity employer. All candidates for employment will be considered without regard to race, color, religion, sex, national origin, physical or mental disability, veteran status, or any other basis protected by applicable federal, state or local law.

5.0 Limitations of Liability

5.01 In no case shall FARO be liable for any indirect, special, incidental, punitive or consequential damages arising from any cause whatsoever, whether based in contract, tort (including without limitation negligence), strict product liability or any other theory of law (including without limitation theories of equitable relief), including, but not limited to, injury to or death of any operator or other person, damage or loss resulting from the Product or inability to use Product, increased operating costs, loss of production, loss of profits or revenues, loss of software or data, any cost or expense of providing
substitute product or software during periods of, or resulting from, malfunction, non-use or maintenance or repair (except as when Temporary Replacements are provided per Section 4.06(d)), or damage to property. The disclaimer of liability for indirect, special, incidental, punitive, and consequential damages extends to any damages which may be suffered by third parties, including without limitation, caused directly or indirectly resulting from the Product, or test results or data produced by Product or any component thereof, and Purchaser agrees to indemnify and save FARO harmless from any such claims made by third parties.

5.02 FARO’s maximum aggregate liability arising out of or relating to any Product from any cause whatsoever, whether based in contract, tort (including without limitation negligence), strict product liability or any other theory of law shall not exceed the Purchase Price received by FARO for the Product to which such liability relates. In all cases, FARO’s maximum aggregate liability arising out of or relating to an Order shall not exceed the aggregate amounts paid by Purchaser to FARO under such Order.

5.03 The limitations of liability in this Section apply even if FARO had notice of the possibility of damages and even if any exclusive remedies fail of their essential purpose. Purchaser acknowledges that FARO has set its pricing in reliance upon the limitations of liability and the disclaimers of warranties and damages set forth in these terms and conditions and that the same form an essential basis of the bargain between the parties.

6.0 Design Changes
6.01 Product is subject to changes in design, manufacture and programming between the date of the Order and the actual delivery date. FARO reserves the right to substitute similar products of the same value without prior notification to the Customer.

6.02 FARO reserves the right to implement such changes without Purchaser’s consent. Notwithstanding the foregoing, nothing contained herein shall be construed as obligating FARO to include such changes in Product provided to Purchaser.

7.0 Intellectual Property
7.01 As between FARO and Purchaser, FARO owns all ownership in all FARO Intellectual Property, and Purchaser shall not own or acquire any right, title or interest in any FARO Intellectual Property. FARO grants Purchaser only a limited, non-exclusive, non-transferable license to use any Software in object code form only and, unless otherwise set forth in an Order or approved in writing by FARO, only with Product in which such Software is installed or embedded.

7.02 Purchaser acknowledges and agrees that the Products (including Software) contains trade secrets, confidential, and proprietary information of FARO and shall maintain all Products (including Software) as confidential and proprietary information of FARO. Purchaser shall use no less than the same degree of care to avoid misuse or improper disclosure of the trade secrets, confidential, and proprietary information of FARO than Purchaser uses with respect to its own similar information, which shall be no less than a reasonable degree of care. Purchaser shall not, in whole or in part, reproduce or duplicate (other than that which is necessary and incidental to the ordinary use of the Software in compliance with these terms and conditions or for purpose of making one (1) archival or back-up copy of the Software) alter, modify, disassemble, reverse assemble, decompile, reverse compile, reverse engineer, sell, transfer, assign, sublicense, lease, rent or use in connection with a service bureau or to provide services to others, in any manner the Products (and Software), in whole or in part, or permit access to or use thereof by any third-party.

7.03 Purchaser acknowledges that any unauthorized use of the Products (and Software), or any right therein, will result in irreparable harm to FARO, and that FARO shall be entitled to damages, lost profits, attorneys’ fees, costs, expenses, and injunctive relief, including without limitation temporary restraining orders, preliminary injunctions, and permanent injunctions from any such unauthorized use.

7.04 Purchaser shall forthwith execute any further assurances in the form of non-disclosure or licensing agreements which may reasonably be required by FARO in connection with the Software.

8.0 Indemnification
8.01 Purchaser will defend, indemnify, and hold harmless FARO against all claims, losses, liabilities, damages, costs, and expenses either (a) on account of any damage to property or injury or death of persons caused by or arising out of Purchaser’s (and/or any of Purchaser’s employee’s, agent’s, affiliate’s and customer’s) distribution, storage, handling, use, or disposal of Product or caused by or (b) arising out of: (i) any breach of contract by Purchaser; (ii) any acts or omissions of Purchaser (and/or any of Purchaser’s employees, agents, affiliates and customers); or (iii) any willful misconduct or any violation by Purchaser (and/or by any of Purchaser’s employees, agents, affiliates and customers) of any applicable law, rule, or regulation.

9.0 Force Majeure/ Entire Agreement / Governing Law / Miscellaneous
9.01 FARO shall not be liable for any loss, damage, detention, or delay due directly or indirectly to any cause beyond FARO’s control (a “Force Majeure Event”), including, without limitation, compliance with any rules, regulations, orders or instructions of any federal, state, county, municipal or other government or any department or agency thereof, acts of god, acts or omissions of Purchaser, acts of civil or military authorities, fires, floods, embargoes, war or insurrection, labor interruption through strike or walkout, transportation delays, or inability or difficulties in obtaining necessary labor, manufacturing facilities, materials or transportation from its usual sources.

9.02 These terms and conditions and the Order into which they are incorporated by reference constitute the entire agreement between FARO and Purchaser in respect to Product subject to such Order. There are no representations or warranties by FARO, express or implied, except for those contained herein, and these terms and conditions supersede and replace any proposals, quotations, or agreements, whether oral or written, between FARO and Purchaser with respect to such Order.

9.03 No representative of FARO has any authority to modify, alter, delete, or add to any of the terms or conditions hereof. Any such modifications shall be void and of no force and effect.

9.04 For Orders in the United States, the terms and conditions hereof shall be governed by and construed in accordance with the laws of the State of Florida, United States of America, regardless of the laws that might otherwise govern under applicable principles.
of conflicts of laws thereof. Purchaser and FARO agree that the sole and exclusive jurisdiction and venue for purposes of any and all lawsuits, disputes, causes of action, arbitrations or mediations in the United States of America shall be in the United States District Court for the Middle District of Florida, Orlando Division.

9.05 For Orders in the European Union, these terms shall be subject to the laws of the Federal Republic of Germany to the exclusion of the UN Convention on Contracts for the International Sale of Goods, and the exclusive place of jurisdiction for all disputes between FARO and Purchaser shall be the city of FARO's registered office within the country.

9.06 For Orders outside of the United States of America and the European Union, these terms shall be governed by local law, and the exclusive place of jurisdiction for all disputes between FARO and Purchaser shall be the city of FARO's registered office in country or, if no registered office exists, the city of the agent of FARO within the country.

9.07 These conditions shall not be construed more strictly against one party than another as a result of one party having drafted said instrument.

9.08 If any provision of these terms and conditions or the Order is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of these terms and conditions and the Order shall remain in full force and effect. Any provision of these terms and conditions or the Order held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

9.09 FARO AND PURCHASER HEREBY IRREVOCABLY WAIVE THE RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED IN CONTRACT, TORT, OR OTHERWISE) ARISING OUT OF, UNDER, OR IN CONNECTION WITH THE ORDER OR THESE TERMS AND CONDITIONS OR ANY COURSE OF CONDUCT, COURSE OF DEALINGS, STATEMENT, OR ACTION RELATED THERETO OR HERETO.

9.10 Any claim, action, suit or other proceeding initiated by Purchaser in connection with any Product must be brought within one year after delivery to Purchaser of the applicable Product to which such claim, action, suit, or other proceeding relates.

9.11 Purchaser agrees to comply with all applicable law. Purchaser shall not export or re-export any Product in violation of applicable export control law, rules or regulations. Deliveries of these goods, products, Software, technologies or know-how-transfer to countries outside the country of sale or to third parties are subject to authorization by FARO or may be prohibited. U.S.-origin goods, products, software, technologies or know-how-transfer which are of at least ten percent (10%) U.S.-origin are liable to U.S. Export Administration Regulations and export outside the country of sale may be prohibited. All export control obligations associated with a resale shall be borne by the exporter.

10.0 Definitions
10.01 “Certified User” means any person who has completed at least one full session of product-specific training for Product.
10.02 “FARO” and “FARO Customer Service” means FARO Technologies, Inc.
10.03 “FARO Intellectual Property” means all intellectual property rights relating to any Product, including without limitation, patents, copyrights, trademarks, trade secrets, and know-how, and any derivative works, improvements, modifications, repairs, maintenance, enhancements, and updates of any Product.
10.04 “Purchaser” means the party buying Product and who is legally obligated under the Order.
10.05 “Software” means all computer programs, disk drive directory organization and content, including without limitation the devices containing such computer programs, disk drive directory organization, and content, sold pursuant to the Order.
10.06 “Purchase Price” means the agreed-upon price of Product set forth in the Order.
10.07 “Third-Party Product” shall mean any equipment, products, Software, or services of a third-party that FARO sells or makes available to Purchaser under an Order.