

STRATASYS DIRECT TERMS AND CONDITIONS

Stratasys Direct, Inc. ("**Stratasys Direct Manufacturing**") has established the following terms and conditions (the "**Terms**"), which apply when a customer of Stratasys Direct Manufacturing ("**Customer**") orders end use or rapid prototype parts ("**Parts**") and/or related services ("**Services**"). If you are an individual ordering on behalf of an entity, you represent and warrant that you have the authority to enter into these Terms on behalf of such entity.

1. All price quotes ("**Quotes**") are in U.S. dollars, are net of any Taxes and Shipping Costs (as such terms are defined below), are valid for 30 days from the time the Quote is issued by Stratasys Direct Manufacturing (unless otherwise specified in writing), and are not severable – the terms of Quotes apply to the Quote in its entirety. Quotes are subject to review upon receipt of finalized Specs (defined below) or otherwise in the event of changes to quantity or materials. Customer may accept a Quote via submission of an online purchase order ("**PO**"). Each PO must contain the Quote number and shall be deemed to incorporate these Terms. No PO shall add to, or be inconsistent with, these Terms, and such additions and inconsistencies shall not apply (unless specifically accepted by Stratasys Direct Manufacturing in writing). All POs are subject to acceptance by Stratasys Direct Manufacturing (in its sole discretion) and shall not bind Stratasys Direct Manufacturing until it delivers its confirmation thereof to Customer ("**Acceptance**"). Quoted lead-times are not final until Acceptance, coupled with a written, confirmation such as a "Delivery Status/Update Notification". Quotes are not final until Acceptance. POs submitted by Customer are irrevocable.
2. The total fees in each PO shall include the amounts stated in the Quote, plus all applicable taxes and similar governmental charges ("**Taxes**") and costs of handling, packaging, transportation, customs clearance and insurance (collectively, "**Shipping Costs**"). The Taxes and Shipping Costs set forth in the PO shall be estimates only, and Customer agrees that it will be solely responsible for paying all Taxes and Shipping Costs that become due. To waive the collection of state sales and other such Taxes, Customer must provide all completed forms and/or certificates that Stratasys Direct Manufacturing deems necessary. All shipments are EXW (Incoterms 2010), which may be any Stratasys Direct Manufacturing designated location in the U.S. Risk of loss of, and damage to, the Parts shall pass to Customer upon delivery by Stratasys Direct Manufacturing to the designated EXW location. Pending full payment by Customer, Stratasys Direct Manufacturing hereby reserves, and Customer hereby grants to Stratasys Direct Manufacturing, a first priority purchase money security interest in the Parts (as well as all proceeds resulting from any sale thereof).
3. All payment terms are as agreed in the PO at the time of Acceptance. Stratasys Direct Manufacturing reserves the right to deny credit for any reason and withhold shipment if payment terms are not honored. Stratasys Direct Manufacturing reserves the right to: (a) cancel any Acceptance, as well as refuse, cancel or delay shipment to Customer, if Customer is delinquent in its payment obligations under these Terms; and/or (b) remove a PO from Stratasys Direct Manufacturing's work schedule if Stratasys Direct Manufacturing determines that Customer hold orders or delays are causing undue loss of work from other Stratasys Direct Manufacturing customers, in which case Stratasys Direct Manufacturing will reschedule deliveries based on its work load at such time. If Customer cancels any ordered Parts, it will pay Stratasys Direct Manufacturing for all work completed and costs and expenses incurred by Stratasys Direct Manufacturing prior to the date of Stratasys Direct Manufacturing's receipt of such cancellation notice in writing, not to exceed the total price under the PO. In the event of a Customer-directed hold order or delay that exceeds 10 business days, Stratasys Direct Manufacturing may invoice Customer for all work completed prior to the hold order or delay.
4. Customer shall retain all of its Intellectual Property Rights in and to the Specs and the Parts for which Customer has paid. Notwithstanding the foregoing, Stratasys Direct Manufacturing and/or its Licensors shall own all Intellectual Property Rights in and to the techniques, know-how, technology, and methodologies used by Stratasys Direct Manufacturing in manufacturing the Parts and providing services hereunder, or that otherwise relate to tooling, fixtures, molds, patterns and other materials. "**Intellectual Property Rights**" means all right, title and interest in and to trade secrets, patents, copyrights, designs, know-how, utility models, databases, mask works, software, and other intellectual property, worldwide, and whether or not registered.
5. Customer alone is responsible and liable for (a) objects submitted for 3D scanning services, including those associated with third party Intellectual Property Rights, and Stratasys Direct Manufacturing reserves the right, in its sole discretion, to refuse scanning services; and (b) providing all design and engineering specifications and requirements relating to the Parts (such specifications and requirements, collectively, "**Specs**"), which Specs shall be provided to Stratasys Direct Manufacturing using 256-bit encryption or another method directed by Stratasys Direct Manufacturing. Notwithstanding any advice, feedback, design participation, technical information or other assistance that Stratasys Direct Manufacturing may provide to Customer in connection with the Specs (collectively, "**Assistance**"), Customer shall be solely responsible and liable for all aspects of the design of the ordered Parts, and Customer shall not rely upon any such Assistance whatsoever. Customer acknowledges and agrees that its (i) design responsibility includes, but is not limited to, CAD conversions from 2D or 3D wireframe to solids/surfaces, selecting or adding draft to CAD data, material selections, and design changes intended to improve product manufacturability or performance; and (ii) informing Stratasys Direct Manufacturing of a product's final use does not constitute an agreement that Parts will be fit for such use or transfer any design responsibility from Customer to Stratasys Direct Manufacturing. Specs can consist of one or more of the following materials: engineering drawings; CAD files; and written instructions. If multiple formats are provided to define Specs, Stratasys Direct Manufacturing may use any of the provided formats for tooling and/or manufacturing, and is not responsible for identifying discrepancies between such formats.
6. Customer shall comply with all applicable laws, regulations, rules and orders, including without limitation those pertaining to U.S. export controls set forth in the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 774 (as may be revised from time to time), and, without limiting the generality of the foregoing, Customer shall not transfer, export or re-export any Part, a component thereof, or any related technology to anyone on the U.S. Treasury Department's list of Specially Designated Nationals, the U.S. Commerce Department's Denied Persons List or Entity List, or any lists maintained by the U.S. Office of Foreign Assets Control and the U.S. Department of Homeland Security, or to any individual or entity in Cuba, Iran, Iraq, Lebanon, North Korea, Sudan or Syria (as may be revised from time to time), or for use in chemical or biological weapons, sensitive nuclear end uses, or missiles. Customer represents it is not located in, under control of, or a national or resident of any such country or on any such list. Customer is solely responsible for determining compliance and obtaining all required licenses to facilitate the transfer, export and re-export of any products, data or technologies, including outside of the U.S. In the absence of available license exemptions or exceptions, Customer must obtain the appropriate licenses or other approvals, if required, for the transfer, export or re-export of such items, or for the provision of technical assistance. Customer must obtain export licenses, if required, before using a foreign person hereunder, where the foreign person will have access to export-controlled items. Customer is solely responsible for all regulatory record-keeping requirements associated with the use of licenses and license exemptions and exceptions.
7. Unless otherwise specified in a PO, Stratasys Direct Manufacturing's manufacturing services will commence on Acceptance. Customer acknowledges and agrees that any changes to the Specs (including but not limited to dimensions, tolerances, materials, coatings or markings) after Acceptance may result in additional charges payable by Customer and extended delivery times.
8. Parts are sampled to exceed ANSI/ASQ Z1.4-2003 standard at General Inspection Level II. Typical inspection of non-injection molded Parts is performed on a sampling of parts produced: 100% inspection up to 5 parts, 5 pieces inspected up to 50 parts, 7 pieces up to 90 parts, 11

pieces up to 150 parts, and at least 5% for greater part quantities. Inspection of injection molded Parts is typically performed on at least 5% of parts produced, unless otherwise specified.

9. Master Pattern shelf life and storage: Stereolithography (SLA) patterns are disposable patterns that are normally destroyed during the creation of a silicone mold. Patterns that survive this process have a shelf life of only 6 months due to dimensional creep. CNC machined ABS patterns are a disposable pattern with a shelf life of 12 months due to dimensional creep. CNC machined aluminum patterns are a durable pattern with an undetermined shelf life. Stratasys Direct Manufacturing agrees to maintenance in-house patterns free of charge up to the specified pattern life or 3 years, whichever comes first, and after which time, the patterns will be destroyed.
10. Silicone molds are a disposable tool with a shelf life of 6 months. Stratasys Direct Manufacturing agrees to maintenance in-house tooling free of charge up to the tool life specified on the Quote or the shelf life, whichever occurs first. For molds containing one or more cavities for the same part, the mold life is the total number of parts from the tool (i.e., the number of cycles multiplied by the number of cavities). However, for molds containing cavities for two or more different parts, this is the number of cycles or parts from each cavity. If POs for molded Parts exceed the quoted tool life, additional tooling charges may be required.
11. QuickCast patterns with walls less than .060 inches (1.5mm) thick may not drain or seal properly and may require special processing by the foundry to yield satisfactory castings. Customer is responsible for inspecting all QuickCast patterns for leaks and other defects before processing. Stratasys Direct Manufacturing does not accept returns of any kind whatsoever after QuickCast patterns have been shelled or fired.
12. Professional and/or consulting services provided hereunder, including but not limited to design work, consulting or otherwise may be subject to additional terms and conditions. Customer is responsible for confirming the design, engineering, and data – including fit, form, function, accuracy and text – in final documentation (the “**Designs**”). Documentation or artwork released for parts fabrication, tooling production, or printing at the Customer’s verbal or written request with or without a signature will be the sole responsibility of the Customer. Stratasys Direct Manufacturing cannot guarantee that a solution, Designs, or other work will fully satisfy the objectives of the project. In any case, the Customer agrees to indemnify and hold harmless Stratasys Direct Manufacturing for any and all losses, damages or claims resulting from errors, omissions or flaws in Designs, solution or documentation.
13. Customer hereby represents and warrants: (a) it has, and will have, the right to disclose the Specs (in whole and in part) and all other information and materials, to Stratasys Direct Manufacturing; (b) Stratasys Direct Manufacturing’s use of such Specs and other information and materials, when used to perform Stratasys Direct Manufacturing’s obligations under these Terms, will not infringe or misappropriate any third party proprietary rights (including, without limitation, Intellectual Property Rights); (c) Parts manufactured from Customer’s Specs will not be unlawful, contain unlawful content, or be used by Customer in an unlawful manner; and (d) any software or files delivered to Stratasys Direct Manufacturing will be free from any viruses, time bombs, and other harmful programming routines.
14. Parts manufactured by Stratasys Direct Manufacturing are warranted, for a period of ten (10) business days after delivery (the “**Warranty Period**”), to materially conform to the applicable Specs and to be free from material defects in materials and workmanship (collectively, the “**Warranty**”). Except as excluded in Section 11, in the event of a breach of the Warranty, Customer must notify Stratasys Direct Manufacturing of the breach in writing, within the Warranty Period. Stratasys Direct Manufacturing, at its sole discretion and expense, shall repair or replace the defective component(s) of the Part in question. All Warranty replacements or repairs (i) will be limited to non-conformities or defects (as the case may be) that, in the reasonable opinion of Stratasys Direct Manufacturing, are due and traceable to non-conformities or defects in original materials and workmanship; (ii) shall constitute Stratasys Direct Manufacturing’s sole obligation and liability, and Customer’s sole and exclusive remedy, for a breach of Warranty. For repaired or replacement Parts (or components thereof) the Warranty Period will be the remainder (if any) of the initial Warranty Period. In the event of a replacement, replaced Parts (or components thereof) will be owned by Stratasys Direct Manufacturing. All returns of Parts (or components thereof) by Customer for a breach of the Warranty, must be in accordance with Stratasys Direct Manufacturing’s written instructions (which may include an NCR/RMA number), and Customer shall be responsible and pay for all costs and expenses (such as Taxes and Shipping Costs) associated with such return. Except for the Warranty: (a) Stratasys Direct Manufacturing makes no representations, warranties, guarantees or conditions as to materials, strength, tolerances, or other Part characteristics; and (b) all Parts are delivered and accepted in “AS IS” condition. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, Stratasys Direct Manufacturing HEREBY DISCLAIMS ALL STATUTORY, EXPRESS, AND IMPLIED REPRESENTATIONS, WARRANTIES, GUARANTEES, AND CONDITIONS OF ANY KIND, WITH RESPECT TO THE PARTS OR THE SERVICES PROVIDED HEREUNDER, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, NON-INFRINGEMENT, QUALITY OF SERVICE, OR OTHERWISE ARISING OUT OF A COURSE OF PERFORMANCE, DEALING, OR TRADE USAGE. Without limiting any of the foregoing exclusions, Customer further acknowledges and agrees that Parts are not intended for use in, and the foregoing warranty does not apply to and shall be void if any Part fails, malfunctions or is damaged as a result of use in the operation of nuclear facilities, aircraft navigation or air traffic control systems, communication systems in which a failure thereof could cause death or serious injury or tangible property damage (e.g., emergency or 911 communication systems), medical systems, life support systems, or potentially life critical uses.
15. TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT WILL Stratasys Direct Manufacturing OR ITS AFFILIATES BE LIABLE UNDER OR IN CONNECTION WITH THESE TERMS, UNDER ANY LEGAL OR EQUITABLE THEORY (INCLUDING, BUT NOT LIMITED TO, CONTRACT, NEGLIGENCE, OR STRICT LIABILITY) FOR ANY (A) CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES; (B) LOSS OF PROFITS, BUSINESS, OR SAVINGS; (C) LOSS OF, OR DAMAGE TO, DATA, REPUTATION OR GOODWILL; AND/OR (D) THE COST OF PROCUREMENT OF SUBSTITUTE GOODS, TECHNOLOGY OR SERVICES. THE AGGREGATE LIABILITY OF Stratasys Direct Manufacturing AND ITS AFFILIATES ARISING UNDER OR IN CONNECTION WITH THESE TERMS SHALL NOT EXCEED THE FEES PAID BY CUSTOMER FOR THE APPLICABLE PART OR SERVICE ALLEGED TO HAVE CAUSED SUCH DAMAGE. THE FOREGOING LIMITATIONS IN THIS SECTION 15 SHALL APPLY EVEN IF THE REMEDIES PROVIDED FOR IN THESE TERMS FAIL OF THEIR ESSENTIAL PURPOSE, AND EVEN IF Stratasys Direct Manufacturing OR ITS AFFILIATES HAVE BEEN ADVISED OF THE POSSIBILITY OF DAMAGES OR LOSSES. Customer agrees that the disclaimers, exclusions, and limitations of liability set forth herein are material conditions of these Terms and that the Services and the Parts would not be made available, or would be made available on materially different terms, in the absence of these conditions.
16. Customer, at its own expense, shall defend Stratasys Direct Manufacturing, its affiliates and their respective directors, officers, employees and agents (each, an “**Indemnitee**”) against any claim, suit, action or demand, by any third party, arising out of or related to (a) any claim that any Specs, Parts, Designs or other materials provided to Stratasys Direct Manufacturing in connection with a PO, infringe or misappropriate the rights (including, without limitation, Intellectual Property Rights) of any third party or are otherwise unlawful; and/or (b) any use or sale of a Part by Customer, its employees, agents, resellers, or customers (each of (a) and (b), a “**Claim**”). Customer agrees (i) not to settle any Claim without the prior express written consent of Stratasys Direct Manufacturing; and (ii) to pay any amounts awarded under a Claim, as well as indemnify and hold harmless the Indemnitee for any other liabilities, losses, costs, and expenses (including, but not limited to, reasonable attorneys’ fees) incurred as a result of the Claim.
17. Either party may terminate these Terms at any time upon written notice to the other party, but all POs previously Accepted will remain binding upon the parties. Any provision that by its nature ought to survive termination, shall so survive, as shall Sections 4, 6, and 13 through 19 (inclusive). Upon the effective date of termination, Customer shall immediately pay Stratasys Direct Manufacturing any and all payment obligations outstanding as of such date.

18. These Terms and all POs shall be governed by, and construed in accordance with, the laws of the State of California, without giving effect to its conflicts of law rules and principles. The Parties agree that any claim or dispute under or in connection with these Terms shall be resolved finally and exclusively by, binding, individual arbitration in Los Angeles County, California, pursuant to the then-current Commercial Arbitration Rules of the American Arbitration Association (AAA). The arbitration proceeding shall be conducted in the English language before a single arbitrator appointed by the parties (or by the AAA if the arbitrator is not appointed by the parties within 30 days of notice to arbitrate), and subject to these Terms. CUSTOMER HEREBY WAIVES ANY RIGHT TO PARTICIPATE IN ANY CLASS ACTION LAWSUIT, CLASS-WIDE ARBITRATION, COLLECTIVE ACTION, CONSOLIDATION OF INDIVIDUAL ARBITRATIONS, OR OTHERWISE IN ANY CLAIM BROUGHT IN A PRIVATE ATTORNEY GENERAL OR REPRESENTATIVE CAPACITY. Judgment on the award rendered by the arbitrator may be entered in any court of competent jurisdiction. This dispute resolution provision will be governed by the Federal Arbitration Act and not by any state law concerning arbitration. CUSTOMER AGREES THAT ANY CLAIM OR DISPUTE WITH RESPECT TO A PART DELIVERED HEREUNDER, MUST BE BROUGHT BY CUSTOMER WITHIN TWELVE (12) MONTHS OF THE DATE SUCH PART WAS FIRST DELIVERED BY Stratasys Direct Manufacturing TO CUSTOMER. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to these Terms.
19. These Terms constitute the entire agreement of the parties regarding the subject matter hereof and supersede all prior and contemporaneous statements (written or oral) regarding such subject matter; however, Stratasys Direct Manufacturing reserves the right to modify these Terms at any time by posting the modified terms online, which shall be effective as to any PO submitted thereafter. In addition, in connection with the Parts delivered hereunder, Customer may be required to agree to additional terms and conditions related to specific software, ("End User License Agreement") used in connection with work performed hereunder. If applicable, Customer will be required to agree to such End User License Agreement prior to using the applicable software and Customer agrees to comply with all terms and conditions contained in each applicable End User License Agreement. Except for payment obligations, neither party shall be liable for a breach of its obligations hereunder to the extent that such breach is caused by factors outside its reasonable ability to foresee and avoid (provided that such party makes diligent good faith efforts to remedy the breach as soon as possible), including, without limitation, war, acts of God, terrorism, natural disaster, third party communications or encryption failure, and delays by third party suppliers of materials. If any provision in these Terms shall be found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, the provision shall be amended and interpreted to accomplish the objectives of such provision to the greatest extent possible, and the remaining provisions of these Terms shall continue in full force and effect. The waiver by either party of any breach of these Terms will not constitute a waiver of any other or subsequent breach. Any waiver granted hereunder must be in writing and signed by the party waiving the breach. No failure by a party in exercising any right, power or remedy hereunder shall operate as a waiver thereof. The relationship of the parties hereunder is solely that of independent contractors. Nothing contained in these Terms shall create any agency, employment, partnership, fiduciary or joint venture relationship between the parties, and neither party has any authority of any kind to bind the other in any respect. Neither party may assign these Terms (in whole or in part) to any third party (whether directly, by operation of law, or otherwise), without the express prior written consent of the other party, except that Stratasys Direct Manufacturing may assign these Terms (in whole or in part) to an affiliate. Any unauthorized assignment shall be null and void. Subject to the foregoing, these Terms bind and benefit each party and its permitted successors and assigns.