

**VELODYNE LIDAR, INC.
TERMS & CONDITIONS OF SALE**

1. SCOPE

The Terms and Conditions (“**Terms**”) contained herein shall apply to all quotations and offers made by and purchase orders accepted by Velodyne Lidar, Inc. (“**Velodyne**”). These Terms apply to all sales made by Velodyne except to the extent the Terms conflict with a Sales Agreement signed by Velodyne and Buyer. These Terms apply in lieu of any course of dealing between the parties or usage of trade in the industry. These Terms may in some instances conflict with some of the terms and conditions affixed to the purchase order or other procurement document issued by the Buyer, and Velodyne hereby objects to and rejects any additional or different terms proposed by Buyer, including those contained in Buyer’s purchase order, unless Velodyne expressly agrees to such terms in writing. In such case, the Terms contained herein shall govern, and acceptance of Buyer’s order is conditioned upon Buyer’s acceptance of the terms and conditions herein, irrespective of whether the Buyer accepts these conditions by a written acknowledgement, by implication, or acceptance and payment of products ordered hereunder. Velodyne’s failure to object to provisions contained in any communication from Buyer shall not be deemed a waiver of the provisions herein. Any changes in the Terms contained herein must specifically be agreed to in writing signed by an officer of Velodyne before becoming binding on either party.

2. PRICE, TAXES AND QUOTATIONS

Prices are subject to change upon thirty day notice to Buyer. All prices are exclusive of any present or future sales, revenue or excise tax, value added tax, turnover tax, import duty (including brokerage fees) or other tax applicable to the manufacture or sale of any product. Such taxes, when applicable, shall be paid by Buyer unless Buyer provides a proper tax exemption certificate. Unless otherwise agreed to in writing by the parties, prices quoted by Velodyne are those current at the date of quotation and shall be subject to variation by Velodyne. All prices are in United States dollars.

3. DELIVERY

Unless otherwise agreed in writing, sales term is Exworks (Incoterm 2010). Velodyne may deliver products in one or more consignment and invoice each consignment separately. Velodyne reserves the right to ship product that is not subject to cancellation in advance of the agreed shipping date. Unless otherwise agreed in writing, delivery time is not of the essence. Except as specified in 6(b), Velodyne does not accept liability for any loss arising from delay in delivery of products.

4. PAYMENT TERMS

Unless otherwise agreed in writing, and subject to credit approval, Payment terms shall be net thirty (30) days from the date of invoice. Buyer agrees to pay interest on any unpaid balance at a rate of five percentage points above the annual Federal Funds rate as specified in the Wall Street Journal on the day the balance becomes due. Unless otherwise agreed in writing, all payments are to be in United States dollars. For contracts outside the United States Velodyne may require payment to be secured by an irrevocable letter of credit or a bank guarantee acceptable to Velodyne. Where payment is made by letter of credit, all costs of collection shall be for Buyer’s account. In the event that Velodyne is required to bring legal action to collect delinquent accounts, Buyer agrees to pay reasonable attorney’s fees and costs of suit. Velodyne shall the continuing right to review Buyer’s credit and change Buyer’s payment terms.

5. **NON-CONFORMING DELIVERY AND RISK OF LOSS**

Buyer shall notify Velodyne of any visible defects, quantity shortages or incorrect product shipments within seven (7) days of receipt of the shipment. Failure to notify Velodyne in writing of any visible defects in the products or of quantity shortages or incorrect shipments within such period shall be deemed an unqualified waiver of any rights to return products on the basis of visible defects, shortages or incorrect shipments, subject to Buyer's rights under Section 7. Velodyne shall retain a security interest in the products until Buyer's final payment to Velodyne for the products. Risk of loss and title shall pass to Buyer as soon as the products have been placed with a transport agent.

6. **ORDER CANCELLATION**

Orders cannot be canceled for any reason without the prior written consent of VELODYNE.

- (a) **Buyers Cancellation for Default:** Upon written notice to Velodyne, any order may be canceled in whole or in part in accordance with the terms hereof, because of Velodyne's failure to deliver products by the Confirmed Shipping Date (this failure hereinafter called "**Default**"). Cancellation by Buyer for Velodyne's Default, which may entitle Buyer to procurement costs, shall be effective only upon Velodyne's failure to correct such Default within a reasonable period of time, but not less than thirty (30) days after receipt by Velodyne of written notice of such Default. Upon cancellation, Buyer, as its sole remedy, may recover from Velodyne as damages the difference between cost of procurement from another source (cover) and the contract price, less expense saved as a consequence of Velodyne's breach. In no event shall these damages exceed ten percent (10%) of Velodyne's product price multiplied by the number of products ordered by Buyer that remain unshipped at the time of cancellation.
- (b) **Velodyne's Cancellation:** Velodyne shall have the right to cancel any unfilled order without notice to Buyer in the event that Buyer becomes insolvent, adjudicated bankrupt, petitions for or consents to any relief under any bankruptcy reorganization statute, or becomes unable to meet its financial obligations in the normal course of business.

7. **LIMITED WARRANTY**

Except as specified below, products sold hereunder shall be free from defects in materials and workmanship and shall conform to Velodyne's published specifications or other specifications accepted in writing by Velodyne for a period of one (1) year from the date of shipment of the products. The foregoing warranty does not apply to any Garmin products, other products not manufactured by Velodyne or products that have been subject to misuse, neglect, or accident, or have been opened, disassembled, or altered in any way. Velodyne shall make the final determination as to whether its products are defective. Velodyne's sole obligation for products failing to comply with this warranty shall be, at its option, to either repair, replace or issue credit for the nonconforming product where, within fourteen (14) days of the expiration of the warranty period, (i) Velodyne has received written notice of any nonconformity; (ii) after Velodyne's written authorization, Buyer has returned the nonconforming product to Velodyne at Buyer's expense; and (iii) Velodyne has determined that the product is nonconforming and that such nonconformity is not the result of improper installation, repair or other misuse. Velodyne will pay for return shipping for all equipment repaired or replaced under warranty and Buyer will pay all duties or taxes, if any, on all equipment repaired or replaced under warranty. THE FOREGOING WARRANTY AND REMEDIES ARE EXCLUSIVE AND MADE EXPRESSLY IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A

PARTICULAR PURPOSE. VELODYNE DOES NOT ASSUME OR AUTHORIZE ANY OTHER PERSON TO ASSUME FOR IT ANY OTHER LIABILITY IN CONNECTION WITH ITS PRODUCTS. This warranty is non-transferable.

8. **RETURN OF PRODUCT**

Any return of Product will be subject to Velodyne's prior written consent and must be made pursuant to Velodyne's product return procedures then in effect. Product must be returned, transport prepaid, to the Velodyne facility (no C.O.D. or Collect Freight accepted) in original boxes and packing material, unless otherwise agreed by Velodyne. The Product travels at the risk and responsibility of Buyer. If returned product is claimed to be defective, a complete description of the nature of the defect must be included with the returned Product. All returns are subject to inspection. Product not eligible for return shall be returned to Buyer by Velodyne, freight collect.

9. **ALTERATION & REVERSE ENGINEERING**

Buyer agrees not to disassemble, open, damage, deface, remove stickers, paint or otherwise alter product in any way. Buyer further agrees not to perform any act with or upon the product for the purpose of reverse engineering the product, portions of the product, or in order to ascertain the manner in which the product functions. Buyer recognizes and agrees that all internal hardware, software, and functionality not readily visible from external view of the product constitute trade secrets belonging to Velodyne, and that efforts to determine such internal hardware, software or functionality are expressly prohibited and constitute misappropriation of trade secrets.

10. **LIMITED LIABILITY**

Neither Velodyne nor Buyer shall be liable for incidental or consequential damages, including but not limited to, the cost of labor, requalification, rework charges, delay, lost profits, or loss of goodwill arising out of the sale, installation or use of any Velodyne product. If Velodyne has any liability for breach of contract, breach of any implied condition, warranty or representation, the aggregate liability of Velodyne to Buyer shall be limited in respect of any occurrence or series of occurrences to the contractual value of the products or services that are the subject of the contract.

11. **INTELLECTUAL PROPERTY**

(a) **Indemnification:** Subject to the limitations herein, Velodyne will defend any suit or proceeding brought against Buyer if it is based on a claim that any product furnished hereunder constitutes an infringement of any U.S., Canadian, Japanese, EU or EFTA member country intellectual property rights. Velodyne must be notified promptly in writing and given full and complete authority, information and assistance (at Velodyne's expense) for defense of the suit. Velodyne will pay damages and costs therein awarded against Buyer but shall not be responsible for any compromise made without its consent. In no event shall Velodyne's liability for such damages and costs (including legal costs) exceed the contractual value of the products or services that are the subject of the lawsuit. In providing such defense, or in the event that such product is held to constitute infringement and the use of the product is enjoined, Velodyne, in its discretion, shall procure the right to continue using such product, or modify it so that it becomes non-infringing, or remove it and grant Buyer a credit for the depreciated value thereof. Velodyne's indemnity does not extend to claims of infringement arising from Velodyne's compliance with Buyer's design, specifications and/or instructions, or use of any product in combination with other products or in connection with a manufacturing or other process. The foregoing remedy is exclusive and constitutes

Velodyne's sole obligation for any claim of intellectual property infringement and Velodyne makes no warranty that products sold hereunder will not infringe any intellectual property rights.

- (b) **Velodyne retains its Intellectual Property:** The sale of any products hereunder does not convey any license by implication, estoppel or otherwise covering combinations of the products with other equipment data or programs. The company retains the copyright in all documents, catalogs and plans supplied to Buyer pursuant to or ancillary to the contract. Unless otherwise agreed in writing, Buyer shall obtain no interest in any mask or other tooling used in the production of any Velodyne product.
- (c) **Software License.** Any software incorporated into or provided in connection with the Products ("Software") shall be subject to license and not sale. All such Software shall be subject to the terms and conditions set forth in Exhibit A and shall be used solely as part of the Product with which it is provided. Buyer shall ensure that use or distribution of any such Software is subject to the end user license terms and conditions set forth in Exhibit A and that Buyer and its customers abide by such end user license agreements. Buyer shall not, and shall not permit any third party to, modify, disassemble, decompile, reverse engineer, rent, lease, loan, transfer, or make copies of the Software, except to the extent that such activities may not be prohibited under applicable law. Velodyne's licensors shall be third party beneficiaries with respect to such terms and conditions applicable to the respective Software and will have the right to enforce such terms and conditions on their own behalf.

12. **CONFIDENTIAL INFORMATION**

Except as required by law, neither party shall use (except for purposes connected with the performance of its obligations hereunder), divulge or communicate to any third party any information of the other it reasonably knows to be confidential.

13. **FORCE MAJEURE**

Velodyne shall not be liable for any damage or penalty for delay in delivery or for failure to give notice of delay when such delay is due to the elements, acts of god, acts of the Buyer, act of civil or military authority, war, riots, concerted labor action, shortages of materials, or any other causes beyond the reasonable control of Velodyne. The anticipated delivery date shall be deemed extended for a period of time equal to the time lost due to any delay excusable under this provision.

14. **EXPORT REGULATIONS**

Buyer agrees to comply fully with all laws and regulations concerning the purchase and sale of products. In particular, Buyer agrees to comply with the Export Administration Regulations of the United States in so far as they apply to the sale of products. The products are licensed by the United States for delivery to the ultimate destination as shown on the shipment/invoice address and any contrary diversion is prohibited.

15. **ASSIGNMENT AND SUBCONTRACTING**

Velodyne shall be entitled at all times to assign its rights under the contract (in whole or in part) or to subcontract any part of the work or services to be provided under the contract as it deems necessary or desirable.

16. **SEVERABILITY**

These terms and conditions may be severable and the invalidity, illegality or unenforceability in whole or in part of any provision shall not affect the validity of other provisions. To the extent of any such invalidity, illegality or unenforceability the parties by mutual agreement, or the adjudicator in any proceeding shall have authority and jurisdiction to sever such provision and to add to these terms and conditions a provision similar in terms and intended effect as may be possible, legal, valid and enforceable.

17. **NOTICES**

Any notice hereunder shall be deemed to have been given if sent by prepaid first class mail to the party concerned at its last known address. Notice to Velodyne shall be to Velodyne Lidar, Inc., 5521 Hellyer Ave, San Jose CA 95138.

18. **OFFICIAL LANGUAGE**

The official language of these terms and conditions and of any related documents is English, which shall be controlling for purposes of interpretation, or in the event of a conflict between English and non-English versions.

19. **WAIVER**

Failure by Velodyne to exercise or enforce any rights hereunder shall not be deemed to be a waiver of any such right nor operate so as to bar the exercise or enforcement thereof at any time or times thereafter.

20. **APPLICABLE LAW**

Unless otherwise agreed in writing, the terms and conditions contained herein shall be governed by and construed under the laws of the State of California, USA.

21. **WASTE ELECTRICAL & ELECTRONIC EQUIPMENT (WEEE)**

If the Velodyne products are furnished to Buyer as component products on an OEM basis or as private label goods for distribution under Buyer brands, then Buyer understands and agrees that Buyer shall be deemed the “producer” of all such Products under any laws, regulations or other statutory scheme providing for the marking, collection, recycling and/or disposal of electrical and electronic equipment (collectively, “WEEE Regulations”) in any jurisdiction whatsoever, (such as for example national laws implementing EC Directive 2002/96 on waste electrical and electronic equipment, as amended), and shall be solely responsible for complying with all such applicable WEEE Regulations.

22. **TRADEMARKS and BRANDS**

Velodyne’s trademarks and brands are Velodyne intellectual property and are important and valuable assets of the corporation. Buyer cannot remove, alter or conceal Velodyne’s trademarks or logos from Products.

Exhibit A

SOFTWARE USER LICENSE

Distribution and use of Products must be made subject to the following terms and conditions (or terms materially as protective of Velodyne Lidar, Inc. (“Supplier”) and its licensors) regarding the use of the Software by the end user (“End User”).

1. DEFINITIONS

“Product” shall mean the hardware product purchased by the End User with which this Agreement was provided.

“Software” shall mean the software, firmware and other code incorporated in the Product and necessary for use of the Product, in executable code format only. Software also includes any updates, improvements or modifications hereinafter furnished to End User by Supplier, whether requested by End User or initiated by Supplier. It is understood that the provision of any such updates, improvements or modifications shall be at Supplier' sole discretion and may be subject to additional fees and/or additional terms and conditions.

2. LICENSE GRANT, OWNERSHIP

2.1 License Grant. Subject to the terms and conditions of this Agreement, Supplier grants to End User the non-exclusive, non-transferable license to use the Software solely as incorporated in the Product and solely as necessary for use of the Product in unmodified form as shipped by Supplier.

2.2 No Other Rights Granted. End User shall not, and shall not permit any third party to, modify, translate, reverse engineer, decompile, disassemble or otherwise reduce the Software to human perceivable form except to the extent that such activities may not be prohibited under applicable law and shall not copy or create derivative works of the Software. End User shall not, and shall not permit any third party to, benchmark any competitive products or disclose benchmarking information regarding the performance of the Software. The Software shall be used solely as incorporated in the Product and End User shall not, and shall not permit any third party, to remove the Software from the Product. Except for the license granted in Section 2.1, Supplier shall retain all right, title and interest, including all intellectual property rights, in and to the Software. End User acknowledges that the licenses granted pursuant to this Agreement do not provide End User with title or ownership of the Software or a copy of the Software, but only a right of limited use. ALL RIGHTS NOT EXPRESSLY GRANTED HEREUNDER ARE RESERVED BY SUPPLIER OR ITS LICENSORS.

2.3 Third Party Software. Notwithstanding anything to the contrary, any Software owned or licensed by third parties (“Third Party Software”) shall be subject to restrictions and limitations set forth in this Agreement and any additional terms and conditions imposed by the respective third party and provided in connection with the Software or the Product (or associated documentation). Supplier's direct and indirect third party licensors shall be third party beneficiaries with respect to such terms and conditions applicable to the respective Third Party Software (including the terms and conditions set forth in this Agreement) and shall have the right to enforce such terms and conditions on their own behalf.

3. TERM AND TERMINATION

3.1 Term. This Agreement shall remain in effect perpetually unless terminated as provided below.

3.2 Termination. This Agreement shall automatically terminate in the event of unauthorized distribution, copying or use of the Software by End User or other breach of this Agreement by the End User.

3.3 Effect of Termination. Upon termination of this Agreement, the rights and licenses granted to End User under this Agreement shall immediately terminate. End User shall cease all use of the Software (whether or not necessary for use of the Product) and immediately destroy or return to Supplier all copies of the Software and any associated documentation.

3.4 Survival. The provisions of Sections 2.2, 3.3, and 4-9 shall survive the termination of this Agreement.

4. FEEDBACK. If you provide feedback to Supplier concerning the Software (“Feedback”), Supplier may use it to improve or enhance its products. You hereby grant Supplier a non-exclusive, perpetual, irrevocable, royalty-free, worldwide license to use, reproduce, disclose, sublicense, distribute, modify, and otherwise exploit such Feedback without restriction.

5. INDEMNIFICATION. You will indemnify, hold harmless, and defend Supplier (including all of its officers, employees, directors, subsidiaries, representatives, affiliates, agents, and suppliers) from and against any damages (including attorney’s fees and expenses), claims, and lawsuits that arise or result from your use of the Software.

6. DISCLAIMER. THE SOFTWARE IS PROVIDED ON AN “AS IS” BASIS. SUPPLIER AND ITS LICENSORS MAKE NO PROMISES, REPRESENTATION OR WARRANTIES, EITHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, WITH RESPECT TO THE SOFTWARE AND DOCUMENTATION, INCLUDING THEIR CONDITION, THEIR CONFORMITY TO ANY REPRESENTATION OR DESCRIPTION, OR THE EXISTENCE OF ANY LATENT OR PATENT DEFECTS, AND SUPPLIER AND ITS LICENSORS SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NONINFRINGEMENT AND FITNESS FOR A PARTICULAR PURPOSE AND THE IMPLIED CONDITIONS OF SATISFACTORY QUALITY AND ACCEPTANCE AS WELL AS ANY LOCAL JURISDICTIONAL ANALOGUES TO THE ABOVE AND OTHER IMPLIED OR STATUTORY WARRANTIES.

7. LIMITATION OF LIABILITY.

7.1 THE LIABILITY OF SUPPLIER AND ITS LICENSORS ARISING OUT OF OR RELATED TO THIS AGREEMENT SHALL NOT EXCEED THE GREATER OF \$100 OR THE AMOUNT RECEIVED BY SUPPLIER OR ITS RESPECTIVE LICENSORS, AS APPLICABLE, FOR LICENSING THE SOFTWARE UNDER THIS AGREEMENT. IN NO EVENT SHALL SUPPLIER OR ITS LICENSORS HAVE ANY LIABILITY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, OR CONSEQUENTIAL DAMAGES, HOWEVER CAUSED AND ON ANY THEORY OF LIABILITY, WHETHER FOR BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, ARISING OUT OF OR RELATED TO THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO LOSS OF ANTICIPATED PROFITS, EVEN IF SUPPLIER OR ITS LICENSORS HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THESE LIMITATIONS SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY.

7.2 THE LIMITATIONS AND DISCLAIMERS IN SECTION 6 AND 7.1 ARE MADE TO THE FULL EXTENT PERMITTED BY APPLICABLE LAW. END USER ACKNOWLEDGES AND AGREES THAT SUCH DISCLAIMERS AND LIMITATIONS CONSTITUTE AN ESSENTIAL PART OF

THIS AGREEMENT AND ACCURATELY REFLECTS THE ALLOCATION OF RISK EXPRESSLY AGREED TO BY THE PARTIES. NOTWITHSTANDING THE FOREGOING, SOME COUNTRIES, STATES, OR PROVINCES DO NOT ALLOW THE EXCLUSION OR LIMITATION OF IMPLIED WARRANTIES OR THE LIMITATION OF INCIDENTAL OR CONSEQUENTIAL OR OTHER DAMAGES FOR CERTAIN PRODUCTS. THUS THE LIMITATION OF LIABILITY AND EXCLUSIONS MAY BE LIMITED IN THEIR APPLICATION TO YOU.

8. U.S. GOVERNMENT RESTRICTED RIGHTS. The Software and accompanying Documentation are deemed to be “commercial computer software” and “commercial computer software documentation”, respectively, pursuant to DFAR Section 227.7202 and FAR Section 12.212, as applicable. Any use, modification, reproduction, release, performing, displaying or disclosing of the Software and accompanying Documentation by the U.S. Government shall be governed solely by the terms of this Agreement and shall be prohibited except to the extent expressly permitted by the terms of this Agreement.

9. MISCELLANEOUS

9.1 Assignment. End User may not assign this Agreement or any rights or obligations hereunder, directly or indirectly, by sale, merger, operation of law or otherwise, without the prior written consent of Supplier. Velodyne may freely assign this Agreement without restriction. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

9.2 Export Regulations. End User understands that Supplier is subject to regulation by agencies of the U.S. government, including, but not limited to, the U.S. Department of Commerce, which prohibit export or diversion of certain technical products to certain countries. End User warrants that it will comply in all respects with the Export Administration Regulations and all other export and re-export restrictions applicable to the technology and documentation licensed hereunder.

9.3 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law the remaining provisions of this Agreement shall remain in full force and effect.

9.4 Governing Law and Jurisdiction. This Agreement shall not be governed by the 1980 United Nations Convention on Contracts for the International Sale of Goods; rather, this Agreement shall be governed by and construed under the laws of the State of California without reference to conflict of laws principles. All disputes arising out of or related to this Agreement shall be subject to the exclusive jurisdiction of the state and federal courts located in Santa Clara County, California, and the parties agree and submit to the personal and exclusive jurisdiction and venue of these courts.

9.5 Modification. This is the entire agreement between the parties relating to the subject matter hereof and all other terms are rejected. No waiver or modification of this Agreement shall be valid unless in writing signed by each party. The waiver of a breach of any term hereof shall in no way be construed as a waiver of any other term or breach hereof.