

1 LICENCE AGREEMENT

SmartMech® End-User Licence Agreement

Important – Please read and understand all of the rights and restrictions described in this End-User Licence Agreement (EULA), which includes the Manufacturer’s SmartMech® Warranties and Limitation of Liability and SmartMech® Internet Service Level Agreement. All the software that you may download from SmartMech®’s website is copyrighted work of SmartMech® and or its suppliers. The use of SmartMech® hardware and software and Internet Services is governed by the terms and conditions outlined below. A user cannot install any SmartMech® system without first entering the device code provided with the associated vending machine and agreeing to the below terms and conditions.

Your use of any software and/or click of the “Accept” button is a symbol that you accept the terms of the EULA and any other guideline or direction as SmartMech® may provide from time to time. It is your responsibility to review the EULA often on www.smartmech.com as SmartMech® may change the EULA at any time and without notice. Any use or attempted use of the SmartMech® device in a vending machine outside the terms of the EULA is a serious violation of both the EULA and numerous copyrights held by SmartMech®. Furthermore, it is a violation of the sales agreement related to vending machines incorporating SmartMech® technology.

Product Licence

Subject to the terms and conditions of the EULA, SmartMech® grants to you a non-exclusive, non-transferable, non-assignable licence to use the SmartMech® devices and software as contemplated under the EULA.

Term and Termination of licence

This licence shall be effective on the date you click the “Accept” button and shall terminate exactly one year following that date. This agreement shall renew automatically for another one year period unless one party provides the other with thirty days written notice to terminate prior to the end of the initial term or a subsequent term.

Cost of licence

On registration, you must pay SmartMech® an initial fee per device unit purchased, plus applicable taxes – if any. The amount and terms of the fee is as agreed with you at time of your order of the SmartMech® devices and related software and internet services.

For the software and internet services a monthly fee for every active SmartMech® device you are using is payable to SmartMech®. Payment must be received by SmartMech® within 30 days after every month end or SmartMech® will terminate your access to the SmartMech® system immediately and without notice.

Ownership Rights

You have no ownership rights in any item mentioned in the EULA. SmartMech® retains all copyright, trademark, trade secret, intellectual property rights and other proprietary rights in and to SmartMech® and every other item mentioned in the EULA. SmartMech® reserves all rights not expressly granted to you.

Scope of Use and Content

The SmartMech® software generates route management and detailed vending machine transaction information. However, you have sole responsibility for providing the content to the SmartMech® software. You understand and agree that SmartMech® does not review the content and it will not, and cannot, control such content. SmartMech® disclaims any and all responsibility and liability for the accuracy, integrity or quality of such content and any loss or damage of any kind incurred as a result of your use of such content via SmartMech® software.

Limitation on Use of SmartMech® Software

You may not reproduce, duplicate, copy, sell or exploit for any commercial purpose, any portion of the SmartMech® software, or allow third parties to use the SmartMech® software. You agree to comply with all applicable treaties, laws, rules and regulations in relation to your use of the SmartMech® software. Further, you understand that information and content provided by SmartMech® software is not warranted to be accurate or complete, and will not constitute a warranty or representation by SmartMech®.

You agree to use SmartMech® only for lawful purposes. The Use of SmartMech® for or in conjunction with the transmission, distribution, retrieval, or storage of any information, data, or other material in violation of any applicable law or regulation is prohibited.

Further, you understand and agree that SmartMech® contains copyrighted material, trade secrets and other propriety information and you may not decompile, disassemble, reverse engineer, translate, adapt or otherwise reduce the object code components of SmartMech® to a human readable form except to the extent expressly permitted by applicable law.

Disclaimer of Warranties

The software is provided “as is”. To the maximum extent permitted by law, SmartMech® disclaims all other warranties of any kind, either expressed or implied, including, without limitation, implied warranties of merchantability and fitness for a particular purpose. SmartMech® does not warrant that the software will meet your requirements. Or that SmartMech® software will operate error free, or in an uninterrupted fashion. Or that any defects or errors of SmartMech® software will be corrected, or that the software is compatible with any particular platform or any third party software.

Limitation of Liability

In no event will SmartMech® be liable for special, indirect, incidental or consequential damages (including but not limited to any damages resulting from loss of use, loss of data, loss of profits or loss of business) arising out of or in connection with the use or inability to use SmartMech® software, under any theory whatsoever, even if SmartMech® has been advised of the possibility of such damages.

General

The EULA shall be construed, interpreted and governed by the laws of the Province of Ontario, Canada without regard to its conflicts of law provisions. The exclusive forum for any disputes arising out of or relating to the EULA shall be a court sitting in the county of Northumberland, in the Province of Ontario, Canada. This Agreement shall constitute the entire Agreement between the parties hereto. If any part of this Agreement is found invalid or unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall be interpreted so as to reasonably effect the intention of SmartMech®.

Manufacturer's Warranties of SmartMech® device and Limitation of Liability

SmartMech® warrants that on the day you activate a SmartMech® device, that is incorporated or retrofitted in a vending machine, the SmartMech® device will perform substantially in accordance with the documentation provided by SmartMech® on its web site under normal use and service for a period of 5 years from activation. In the event that the SmartMech® device fails to comply with this guarantee, SmartMech® will either repair or replace the SmartMech® device as follows: During the first 2 years the replacement or repair is free of charges; during the 3rd year 40%, during the 4th year 60% and during the 5th year 80% of the then effective replacement cost are payable.

You shall be required to ship the SmartMech® device or component of the vending machine containing the SmartMech® device to SmartMech®. You shall be responsible for expenses associated with shipping. The SmartMech® device warranties are void if failure of the SmartMech® device is the result of accident, abuse or misapplication. Any replacement SmartMech® device will be guaranteed for the remainder of the original guarantee period or 30 days, whichever is longer.

Disclaimer of Warranties

The SmartMech® device is provided on an "as-is" basis to the maximum extent permitted by applicable law and subject to SmartMech's® manufacturer's warranties, SmartMech® disclaims all warranties, conditions and other terms, either expressed or implied (whether be statute, common law, collaterally or otherwise) including but not limited to implied warranties of satisfactory quality and fitness for particular purpose with respect to the SmartMech® device and the documentation provided in SmartMech's® web site.

Limitation of Liability

In no event will SmartMech® be liable for special, indirect, incidental or consequential

damages (including but not limited to any damages resulting from loss of use, loss of data, loss of profits or loss of business) arising out of or in connection with the use or inability to use the SmartMech® device, under any theory whatsoever, even if SmartMech® has been advised of the possibility of such damages.

Registration

You need to register your SmartMech® device with SmartMech® for the manufacturer's guarantee to be effective.

Beneficiary

To the extent allowed by applicable law, SmartMech's® manufacturer's warranties are only made to you, the licenced user of the SmartMech® device, and there are no third party beneficiaries of this manufacturer's warranties. It is not intended for and does not apply to anyone else (except as required by law).

SmartMech® Internet Service - Terms of Use

This document sets forth the terms, conditions and guidelines for use of the SmartMech® Internet Service and constitutes a legally binding contract between you and SmartMech®. Please read this document carefully before activating or using the SmartMech Internet Service.

SmartMech® may change its Terms of Use at any time and therefore you should regularly review these Terms of Use. If SmartMech® determines, in its sole discretion, that you have abused or violated the letter or intent of these terms, conditions or guidelines, SmartMech® reserves the right to terminate your account immediately without notice.

Scope of Use and Content

SmartMech's® internet service enables you to input route management information, to collect vending machine transactions and to generate vending machine transaction reporting. However, you have the sole responsibility for inputting the content on the SmartMech® Internet service. You understand and agree that SmartMech® does not review the content and it will not, and cannot, control such content. SmartMech® disclaims any and all responsibility and liability for the accuracy, integrity or quality of such content and any loss or damage of any kind incurred as a result of your use of the SmartMech® internet service. You agree that SmartMech® may access your accounts to upgrade software and to collect global data to assess the operation of the SmartMech® device and software. SmartMech® will not use this information for any other purpose.

You are responsible for all activity on your account, regardless of whether you are using the account yourself or permitting another person to do so. Therefore, you should supervise any other person whom you permit to use your account. You agree to use the SmartMech® Internet Service only for lawful purposes and not to allow others to use your account for any unlawful purpose.

System and Network Security

Violations or abuses of system or network security of the SmartMech® Internet Service are prohibited, and may subject you to criminal and/or civil liability. We will investigate potential security violations and may notify applicable law enforcement agencies if violations are suspected. Furthermore, SmartMech® may, in its sole discretion, suspend, block or take any other responsive action to address violations.

Indemnity

You agree to indemnify and hold SmartMech®, its subsidiaries, affiliates, partners, officers and employees harmless from any claim or demand made by a third party due to or arising out of your use of the SmartMech® Internet Service.

Limitation of Liability

In no event will SmartMech®, its subsidiaries, affiliates, partners, officers or employees be liable for any indirect, incidental, extraordinary, exemplary, punitive or consequential damages whatsoever arising out your use or inability to use the SmartMech® Internet Service whether such damages are based on warranty, contract, tort or any other legal theory and whether or not such party is advised of the possibility of such damages. SmartMech's® aggregate liability and the aggregate liability of our suppliers, service providers or third party affiliates, arising from or relating to the SmartMech® Internet Service is limited to one dollar (\$1.00 CDN). Applicable law may not allow this exclusion.

Disclaimer on Warranties

SmartMech's® Internet Service is provided on an "as is" and "as available" basis and with all faults, and the entire risk as to satisfactory quality, performance, accuracy and effort is with you. Neither SmartMech® nor its partners, providers or affiliates make any representations or warranties of any kind, express or implied, as to the operation of the service, its contents, any information made available by or through the service.

Termination

Either you or SmartMech® can terminate Internet Services on reasonable notice.

Jurisdiction

You and SmartMech® agree that these terms of use will be governed by the laws of the Province of Ontario, Canada and that the parties will attorn to the jurisdiction of the Province of Ontario. If any of these terms of use are found to be contrary to law, the remaining terms and conditions shall remain in full force and effect.

Contact Information

If you have any questions about the SmartMech® system, please contact SmartMech Corporation at 1-613-475-3418, or via e-mail at sales@smartmech.com.

The EULA is a legal agreement between you (either an individual or a corporation) and

SmartMech®. If you do not agree to be bound by the terms outlined above, please click the “decline” button. If you have declined, the SmartMech® device in your equipment will not be activated.