

EXHIBIT A

PATENT LICENSE AGREEMENT
(FOR U.S. PATENT NOS. 5,508,596 AND 5,892,345)

This **Patent License Agreement** (the “**Agreement**”) is entered into between Flow International Corporation, a Washington corporation, with offices at 23500 – 64th Avenue South, Kent, Washington 98032 U.S.A. (“**Flow**”), and _____, a _____ corporation, at the address specified below, (“**Licensee**”), effective as of the date it has been signed on behalf of all parties (the “**Effective Date**”).

Section 1. Definitions

1.1 “**Authorized Sublicensee**” means any waterjet cutting system manufacturer, distributor, dealer or customer of Licensee granted a sublicense under **Section 2.4** to make, use, sell or offer for sale copies of the Licensed Technology.

1.2 “**Distributor**” means any distributor that Licensee authorizes, directly or indirectly, to Distribute a Licensed Product that contains Licensed Technology to End Users in accordance with the terms of this Agreement.

1.3 “**Distribute**” or “**Distribution**” means selling, offering to sell, licensing, distributing, importing or otherwise making available in any manner to a third party.

1.4 “**End User**” means a third party customer to which a product containing the Licensed Technology is Distributed, and not for further sublicense or further Distribution.

1.5 “**License**” means the license granted by Flow to Licensee under **Section 2** of this Agreement.

1.6 “**Licensed Patent(s)**” means U.S. Patent Nos. 5,508,596 (Motion Control With Precomputation) and 5,892,345 (Motion Control For Quality In Jet Cutting).

1.7 “**Licensed Product**” means any product that includes the Licensed Technology and is used by the End User as part of an waterjet cutting system.

1.8 “**Licensed Technology**” means those portions of a Licensed Product, designed and developed by or for Licensee or any Authorized Sublicensee, the making, using, selling, offering for sale or importing of which infringes at least one claim of the applicable Licensed Patents.

Section 2. License and Licensee Requirements

2.1 License Grant. Subject to **Sections 2.2, 2.7 and 2.8** below, Flow hereby grants to Licensee a royalty-free, fully-paid personal, nonexclusive, nonsublicensable (except as specifically provided for in **Section 2.4** of this Agreement) license under the Licensed Patents to do the following during the Term:

- (a) make and use the Licensed Technology for the research and development, production, offer for sale or sale of waterjet cutting systems;
- (b) Distribute the Licensed Technology to manufacturers of waterjet cutting systems; and
- (c) Distribute the Licensed Technology in the Licensed Products to End Users

2.2 Conditions. The licenses granted in **Section 2.1** are conditioned upon: (i) Licensee’s compliance with the notice requirements of **Section 2.6**; (ii) Licensee’s compliance with the requirements of **Sections 2.7 and 2.8**; and (iii) Licensee’s compliance with the reporting requirements of **Section 3**.

2.3 Covenant Not to Sue. Flow hereby covenants not to sue Licensee, or any Sublicensees or End Users or any of their subsidiaries, for any and all claims of infringement of the Licensed Patents, or a claim on any other patent the scope of which may be coextensive with any of the claims of the Licensed Patents, based on having at any time prior to or during the term of this License made, used, sold, offered for sale or imported, or on the making, use, selling, offering for sale or importing of the Licensed Technology, but only to the extent that such activities are permitted under the License.

2.4 Limited Right to Sublicense.

(a) The License includes the right of Licensee to grant to any of its Distributors a sublicense to any waterjet cutting system manufacturer, distributor, dealer or customer of Licensee.

(b) Licensee will ensure that each Authorized Sublicensee complies with this Agreement. The License does not include the right to grant or authorize any other sublicense under the License or otherwise to take or authorize any action outside the scope of the License.

2.5 Reservation of Rights. All rights not expressly granted in this Agreement are reserved. The License does not include, and Flow does not grant, any right under any patent or intellectual property other than the Licensed Patents.

2.6 Waiver. Licensee agrees and acknowledges that by signing this Agreement, Licensee waives its right to contest the validity of the Licensed Patents as applied to waterjet cutting systems.

2.7 Limitation. Licensee shall not represent directly or indirectly that any product it makes or sells pursuant to this License is made or endorsed by Flow International Corporation or OMAX Corporation.

2.8 Licensee Requirements. To qualify to be a licensee under this Agreement, the licensee must be engaged in the business of manufacture or distribution of, or creation of control equipment for, waterjet cutting systems. Additionally, the License does not modify the Licensee's obligations to comply with the law of the United States or any other jurisdiction, including export and trade laws (such as U.S. Export Administration Regulations, and end-user, end-use, and destination restrictions).

Section 3. Reporting

Licensee will provide quarterly reports to Flow, no later than 45 days following the end of each calendar quarter, identifying the number, location (by state or province or by country if outside the U.S. or Canada) and type (to Distributor, End User, etc.) of any sale, lease or other disposition of a Licensed Product. Such reports should be sent to the addresses designated in **Section 8.4**. Flow shall treat the quarterly reports provided under this Section as Confidential Business Information, the use and dissemination of which are subject to the terms of the Decision & Order of the Federal Trade Commission.

Section 4. Term and Termination

4.1 General. The term of the License will commence as of the Effective Date and terminate upon the first of the following to occur: (a) the expiration of the last of the Licensed Patents to expire or (b) Flow gives Licensee written notice of termination in accordance with **Section 4.2 or 8.6 ("Term")**.

4.2 Early Termination by Flow. Flow may terminate the Term by giving Licensee written notice of termination if Flow has determined, in good faith, that Licensee has breached the Agreement and has failed to cure such breach within sixty (60) days after Flow has given Licensee written notice of such breach.

4.3 Effect of Expiration or Termination. Only **Sections 2.3, 2.6, 5, 6, 7 and 8** of this Agreement will survive any expiration or termination of the Term.

Section 5. Warranties, Exclusion of Warranties, Exclusive Remedy and Sole Liability

5.1 Warranties. Flow represents and warrants to Licensee that: (a) it is the owner of the Licensed Patents; and (b) it has the right to grant the License. Each Party represents and warrants that it has the power and authority to enter into this Agreement.

5.2 Exclusion of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN **SECTION 5.1**, TO THE MAXIMUM EXTENT PERMITTED BY LAW, FLOW EXCLUDES ALL CONDITIONS, WARRANTIES AND OTHER TERMS WHICH MIGHT HAVE EFFECT BETWEEN THE PARTIES OR BE IMPLIED OR INCORPORATED INTO THIS AGREEMENT (INCLUDING WITHOUT LIMITATION, THE IMPLIED CONDITIONS, WARRANTIES AND OTHER TERMS AS TO SATISFACTORY QUALITY, FITNESS FOR PURPOSE, NON-INFRINGEMENT, TITLE AND THE USE OF REASONABLE SKILL AND CARE). WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, FLOW HAS NOT MADE, AND DOES NOT MAKE, ANY REPRESENTATION OR WARRANTY OF ANY KIND: (i) WITH REGARD TO THE SCOPE, COVERAGE, VALIDITY OR ENFORCEABILITY OF ANY OF THE LICENSED PATENTS; (ii) WITH RESPECT TO ANY LICENSED PRODUCT OR LICENSED TECHNOLOGY; OR (iii) THAT ANY LICENSED TECHNOLOGY MADE, USED, SOLD, OFFERED FOR SALE OR IMPORTED UNDER THE LICENSE IS OR WILL BE FREE FROM INFRINGEMENT OF ANY PATENT OR OTHER INTELLECTUAL PROPERTY RIGHT OF ANY THIRD PARTY.

Section 6. Exclusive Remedy of Licensee and Sole Liability of Flow.

BOTH PARTIES AGREE THAT LICENSEE'S SOLE AND EXCLUSIVE REMEDY FOR ANY BREACH OF THIS AGREEMENT BY FLOW WILL BE TERMINATION OF THIS AGREEMENT AND COMPENSATORY DAMAGES LIMITED TO AN AMOUNT NOT TO EXCEED ONE HUNDRED DOLLARS.

Section 7. Limitation of Liability

IN NO EVENT WILL FLOW BE LIABLE FOR ANY INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR INDIRECT LOSSES OR DAMAGES OR ANY LOSS OF REVENUE, PROFIT, USE, BUSINESS OPPORTUNITY OR GOODWILL ARISING OUT OF OR RELATED TO THE LICENSE OR THIS AGREEMENT EVEN IF FLOW HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES, INCLUDING THAT FLOW SHALL NOT BE LIABLE FOR ANY DEATH, PERSONAL INJURY OR OTHER HARM ARISING FROM ANY MANUFACTURE, USE, OFFER FOR SALE, SALE, EXPORT OR OTHER ACTIVITY RELATING TO ABRASIVE WATERJET MACHINES MADE, USED, OFFERED FOR SALE, OR SOLD UNDER THIS LICENSE..

Section 8. Miscellaneous

8.1 No Right to Technology. Flow will not have any obligation under this Agreement to disclose or otherwise make available to Licensee any Technology, trade secrets, programs, specifications, designs, technical data, know how or other technology, whether or not the same may be required for the exercise or commercial exploitation of the License.

8.2 Compliance with Laws. Licensee and Sublicensed Subsidiaries will comply with all applicable international and national laws and regulations in the performance of all of their activities under the License and this Agreement.

8.3 Actions on Behalf of the Parties. Flow and Licensee are each liable for, and will be deemed for all purposes of this Agreement to have done or failed to do, any act or omission of their respective officers, employees, temporary personnel, or independent contractors related to acts or omissions in connection with this Agreement.

8.4 Notices. All notices and requests in connection with this Agreement are deemed given on the day they are received either by messenger, delivery service, or in the United States of America mails, postage prepaid, certified or registered, return receipt requested, and addressed to Licensee using the contact information indicated on the first page of this Agreement, to Flow using the contact information below, or to either party at such other address as the party to receive the notice or request so designates per this notice provision:

Flow International Corporation
John Leness
General Counsel and Corporate Secretary
23500 – 64th Avenue South
Kent, WA 98032
U.S.A.

8.5 Jurisdiction, Governing Law and Attorneys' Fees. This Agreement will be governed by and construed in accordance with the laws of the state of Washington. Each party hereby submits to the exclusive jurisdiction of the state and federal courts of the state of Washington. Process may be served on either party in the manner authorized by applicable law or court rule. In any formal action or suit to enforce any right or remedy under this Agreement or to interpret any provision of this Agreement, the prevailing party is entitled to recover its costs, including reasonable attorneys' fees, costs and other expenses.

8.6 Assignment. Either party may assign this Agreement or any of its rights or obligations hereunder, provided that the Licensee gives the Licensor written notice of its assignment within thirty (30) days of its assignment having been made. Such written notice will also include a signed statement by the assignee that it is willing to be bound by the terms and conditions of this Agreement. This Agreement will be binding upon, enforceable by, and inure to the benefit of the parties and their respective successors and permitted assignees. For purposes of this Agreement, an "assignment" by Licensee under this Section will be deemed to include, without limitation, each of the following: (a) a change in beneficial ownership of Licensee of greater than twenty percent (20%) (whether in a single transaction or series of transactions) if Licensee is a partnership, trust, limited liability company or other like entity; (b) a merger of Licensee with another entity, whether or not Licensee is the surviving entity; (c) the acquisition of more than twenty percent (20%) of any class of voting stock (or any class of non-voting security convertible into voting stock) of Licensee by another

entity (whether in a single transaction or series of transactions); and (d) the sale or other transfer of more than fifty percent (50%) of such Licensee's assets (whether in a single transaction or series of transactions). Any attempted transfer or assignment in violation of this Section will be void; and, in the event of any such assignment or attempted assignment by Licensee, Flow will have the right to immediately terminate the License.

8.7 No Third Party Beneficiaries. This Agreement is for the benefit of, and will be enforceable by, the Parties only. This Agreement is not intended to confer any right or benefit on any third party. No action may be commenced or prosecuted against a Party by any third party (including, without limitation, Subsidiaries) claiming as a third-party beneficiary of this Agreement or the License.

8.8 Counterparts and Facsimile. This Agreement may be executed on facsimile copies in two counterparts, each of which will be deemed an original and all of which together will constitute one and the same Agreement. Notwithstanding the foregoing, the parties will deliver original executed copies of this Agreement to one another as soon as practicable following execution thereof.

8.101 Entire Agreement, Modifications and Waiver. This Agreement constitutes the entire agreement between the Parties with respect to its subject matter and supersedes all prior and contemporaneous agreements, arrangements and understandings, whether written or oral, between the Parties in connection with this Agreement and on such subject matter. This Agreement will not be modified except by a written agreement signed by an authorized representative of the Party against whom such modification is sought to be enforced. Failure by either Party to enforce any provision of this Agreement will not be deemed a waiver of future enforcement of that provision.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be made and executed by duly authorized officers.

[LICENSEE NAME]

FLOW INTERNATIONAL CORPORATION

By (Sign)

By (Sign)

Name (Print)

Name (Print)

Title

Title

Date

Date

Licensee Information:

Licensee Full Legal Name:

Type of Legal Entity (corporation, company, partnership, sole proprietorship or other):

State/Province Organized:

Street Address:

City, State (or equivalent), Country and Postal Code:

Licensee Contact Name:

Phone Number:

Fax Number:

Email Address:

Licensee Legal Advisor Contact Information, if any:

Legal Advisor Name:

Legal Advisor Contact Phone Number:

Legal Advisor Contact Fax Number:

Legal Advisor Contact Email Address: