

**YASKAWA EUROPE TECHNOLOGY LTD. – STANDARD TERM AND CONDITIONS OF SALE**

**1. GENERAL:**

(a) Any sale of products or services by Yaskawa Europe Technology ("YET") is governed exclusively by these Standard Terms and Conditions of Sale ("Standard Terms") and shall supersede any inconsistent or additional terms on Buyer's purchase order or any other document. These Standard Terms constitute the final, complete and exclusive agreement between YET and the Buyer as to the subject matter hereof. YET hereby objects to any inconsistent or additional terms. This Agreement may be amended only in writing signed by an authorized representative of YET.

(b) Any order placed with YET must be in the form of a written purchase order or letter from Buyer ("Order") and shall set forth all information necessary for YET to fill the Order, if accepted. All proposals, quotations or similar communications from YET will be considered invitations to Buyer to submit an Order. A binding sales contract will result only when YET accepts Buyer's Order, at YET's office in Rosh-Ha'ayin, Israel or such other place as designated by YET. YET reserves the right to bill any Order at a minimum of \$100, plus any additional charges provided for herein.

(c) All products shall be packaged for shipment in accordance with YET's standard specifications. If special packaging is required, it must be clearly requested on Buyer's Order. The price for any special packaging shall be billed to Buyer.

**2. WARRANTY:**

(a) YET warrants that each new and unused product sold by YET shall be free of defects in material workmanship for a period of 18 months from the date of shipment. YET warrants that its services shall be free of defects in workmanship for a period of ninety (90) days from the date they are first provided. Within the applicable warranty period, YET will, at its sole discretion, either repair, replace or return the purchase price paid to YET for any product, part or service found by YET to be defective; provided that the subject product is used under normal conditions for which it was designed and installed, operated and maintained in accordance with YET's instructions and (subject always to such instructions) in accordance with generally accepted industrial practices.

(b) YET's warranty obligation shall be conditioned upon receipt by YET of written notice of any alleged defects within sixty (60) days after discovery. YET will not be responsible or accept invoices for unauthorized repairs to any products, even if defective. YET shall not be responsible for any products which have been altered, abused, misused, or improperly installed or repaired, or for

any loss, damage, defect, claim or non-performance resulting from or attributable to Buyer's

specifications.

(c) Where Buyer requests that YET supply non-stock products or component parts manufactured by a third-party, YET will, to the extent permitted, pass through to Buyer any warranty of the manufacturer. As to such items, Buyer's sole remedy for breach of warranty shall be the remedy offered by and available from the manufacturer. YET shall have no liability, whether in contract, tort or otherwise, for such products.

(d) YET does not guarantee production rates or the quality of goods made using YET's products or services, nor shall any longer warranty periods apply, except as agreed in writing signed by an authorized YET representative.

**(e) YET's WARRANTY HEREIN IS IN LIEU OF AND EXCLUDES ALL OTHER WARRANTIES OF YET AND ALL PARENT OR AFFILIATED COMPANIES OF YET. ALL OTHER WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE OR USE, ARE HEREBY EXCLUDED.**

**(f) UNDER NO CIRCUMSTANCES SHALL YET, OR ANY PARENT OR AFFILIATED COMPANY OF YET, BE LIABLE TO BUYER OR ANY ENTITY FOR ANY SPECIAL, INDIRECT OR CONSEQUENTIAL DAMAGES, WHETHER ARISING FROM BREACH OF CONTRACT, TORT, NEGLIGENCE, MISREPRESENTATION, STRICT LIABILITY OR OTHERWISE, INCLUDING FOR LOST PROFITS, IMPAIRMENT OF GOODS, WORK STOPPAGE OR OTHERWISE, IN ANY WAY ARISING OUT OF OR RELATED TO GOODS OR SERVICES SUPPLIED BY YET OR ANY TRANSACTION TO WHICH THESE STANDARD TERMS APPLY. THE MAXIMUM LIABILITY OF YET, INCLUDING, BUT NOT LIMITED TO, WITH RESPECT TO THE DESIGN, MANUFACTURE, SALE, DELIVERY, RESALE, INSPECTION, ASSEMBLY, INSTALLATION, TESTING, REPAIR, REPLACEMENT, MAINTENANCE OR USE OF ANY PRODUCT OR THE PERFORMANCE OF ANY SERVICE, SHALL NOT EXCEED THE PURCHASE PRICE PAID TO YET FOR THE DEFECTIVE PRODUCT OR SERVICE.**

**3. DRAWINGS/MEASUREMENTS:** All drawings, tables, graphs and the like submitted by YET or contained in YET's publications shall be regarded as approximations only. Weights, measurements, capacities and all other particulars of products or services offered by YET are approximations only. YET is not responsible for such approximations, including, in particular, based on data supplied by Buyer.

**4. INFRINGEMENT:** YET's liability for infringement (and the liability of any parent or affiliated company of YET) is limited to YET's defense of any suit or proceeding brought against Buyer based on a claim that products sold hereunder, when employed in the manner intended by YET, constitutes an infringement of any patent of the United States. If Buyer's use of the products in the manner intended by YET is finally enjoined in such action, YET shall, at its option, procure for Buyer the right to continue using the products, replace the

same with non-infringing products, modify the products so that they become non-infringing equivalent products, or refund the purchase price (less allowance for use, damage or obsolescence). YET makes no warranty against patent infringement resulting from portions of the products made to Buyer's specifications or the use of products in combination with any other products or in the practice of any process, and if a claim, suit or action is brought against YET or any parent or affiliate of YET, Buyer shall defend, indemnify and save YET (and its parent/affiliates) harmless from and against any and all claims, losses or damages arising there from.

#### **5. SHIPMENT, FORCE MAJEURE, PRICES AND ERROR:**

(a) Shipment/delivery dates are approximations only. YET shall not be liable to pay any penalty or damages, including consequential damages, for any delay in shipment.

(b) In no event shall YET be liable for any damages, including consequential damages, caused by delays or non-performance resulting from or related to force majeure or other causes beyond YET's reasonable control, including, but not limited to, war, blockade, civil disturbances, strikes and lockouts, labor shortages, fire and other casualties, acts of nature, accidents and governmental acts (including regulations concerning export and import licensing and currency exchange). In case of non-delivery, YET's obligation shall be limited to the refund of any advance payment received from Buyer.

(c) All claims for loss of or damage to products, whether concealed or obvious, must be made, in writing, to the carrier and to YET by Buyer as soon as possible after receipt of shipment, and in no case beyond 30 days of shipment, or such claims shall be deemed waived. YET will render reasonable assistance in providing information necessary for Buyer to process such damage claims with the carrier or any insurance company.

(d) YET's quoted prices are firm for thirty (30) days from the date of YET's written proposal. Thereafter, the applicable prices are those in effect at the time Buyer's Order is placed with YET. YET will notify Buyer of any price changes for incorporation into a revised Order prior to acceptance by YET. Pricing based on volume discounts is subject to adjustment by YET if actual shipping volumes do not meet minimum volume requirements of agreement. Clerical errors in any element of a proposal, purchase order, invoice or contract are subject to correction by YET.

(e) (1) Buyer agrees to accept delivery within fifteen (15) days following the anticipated date of delivery. If Buyer refuses to take delivery within the fifteen (15) day period, YET reserves the right to charge Buyer for storage charges plus interest.

(2) All shipments are ExWorks YET's (or its suppliers') manufacturing plant or warehouse. YET

will, at Buyer's expense, arrange for the transportation of the products from the manufacturing plant or warehouse designated by YET. Buyer is responsible to timely procure all necessary export and import licenses and all permits required for the consummation of the transaction.

#### **6. TERMS OF PAYMENT:**

(a) All payments are due within thirty (30) days of YET's invoice. YET reserves the right to require payment in advance, or satisfactory security, for any shipment or sale. YET may cancel any shipment or Order for any Buyer which has failed to make payment or comply with any other provision of these Standard Terms. YET reserves the right to seek any other remedy available at law or equity. Payment shall be made at the agreed time, to the place specified, and in the currency indicated on YET's invoice. Buyer's failure to pay at the agreed time and place constitutes a waiver of Buyer's right to demand YET's performance under the contract.

(b) When an account becomes past due according to its payment terms, Buyer shall pay interest on the balance due, at the greater of 1.50% per month (18% per annum) or the maximum permitted by law, until paid in full.

(c) If delivery and/or payment in installments is accepted by YET, Buyer's failure to pay any installment when due shall give YET the right to suspend work or delivery until such payment is made. In the event that any such default by Buyer continues for more than fifteen (15) days, YET may then cancel the contract by written notice to Buyer. Upon cancellation of an installment contract, all items already delivered to and paid for in full by Buyer will be transferred to Buyer "AS IS, WHERE IS," without any warranty.

(d) All duties, tariffs, fees, costs and other charges connected with shipment, insurance, exportation and importation of the products are the responsibility of Buyer, and, if paid by YET, such expenses may be recovered by YET from Buyer, and Buyer shall indemnify YET against claims for the same. Buyer is responsible for all taxes applicable or related to this transaction, including all sales, use and excise taxes.

#### **7. RISK OF LOSS:**

Risk of loss and/or damage to the products shall pass to Buyer upon delivery thereof to Buyer or its representative, or to a carrier for shipment to Buyer or its designated customer, as the case may be, at the manufacturing plant or warehouse of YET or its supplier. Buyer is responsible to obtain insurance coverage on all shipments of products supplied by YET.

#### **8. RETURNS/CANCELLATION CHARGES:**

Buyer shall not return any product to YET without the written consent of, and upon terms agreed to, by YET. If Buyer refuses to accept delivery, or improperly revokes acceptance of product, Buyer shall be responsible for YET's cancellation charges and expenses. Before returning products, a Return Merchandise Authorization ("R.M.A.") number must be obtained from YET. Products returned without an R.M.A. number clearly marked on the outside of the shipping carton will be refused. Except for approved warranty returns, YET will only accept for return and credit new, unused, current stock items, in the original packaging and undamaged. Buyer shall be responsible for all freight charges, import/export charges, duties, tariffs, taxes, insurance and risk of loss/damage regarding return shipment to YET.

**9. SECURITY INTEREST:**

To secure any indebtedness due and owing from buyer from time to time, Buyer hereby grants to YET, and YET hereby reserves, a continuing purchase money security interest in all Yaskawa-brand and other products heretofore or hereafter sold and delivered to Buyer by YET, and all related parts, components and accessories therefore, and all proceeds arising from the sale or other disposition of the foregoing, including, but not limited to, cash, accounts, contract rights, accounts receivable, instruments and chattel paper. Buyer shall at no time grant any security interest that conflicts with that granted to YET herein. Buyer shall cooperate with YET, and hereby appoints YET as its attorney-in-fact, to execute and file, on Buyer's behalf, any documents necessary to evidence and perfect YET's security interest.

**10. GOVERNING LAW, FORUM AND JURY WAIVER:**

These Standard Terms and the relationship of the parties hereto shall be governed by the internal laws of the State of Israel, without regard to its choice of law rules. For all claims or disputes arising out of or relating to the sale of products or services by YET and/or the relationship of Buyer and YET, Buyer shall file any and all lawsuits or claims exclusively in the Israeli courts. Buyer hereby submits to the personal jurisdiction of said courts and waives any claim of improper or inconvenient venue. To the fullest extent permitted

by law, Buyer hereby agrees to waive the right to trial by jury for all claims or disputes arising out of or relating to the sale of products or services by YET and/or the relationship of Buyer and YET. The parties agree that U.N. Convention of Contracts for the International Sale of Goods shall not apply to their relationship or the sale of products by YET.

**11. MISCELLANEOUS:**

(a) Failure on the part of YET to enforce any of its rights derived from this contract shall never be construed as a waiver of any of YET's rights.

(b) The invalidity of one or more of the clauses herein shall not affect the validity of the other clauses, which for this purpose are considered severable.

(c) Any use by Buyer of any YET trademark must be approved by YET in writing.

(d) Buyer may not delegate its performance or assign its rights under this Agreement except upon the express written consent of YET. In any case, these Standard Terms shall be binding upon the successors and legal representatives of Buyer.

(e) Buyer shall comply with all applicable laws and regulations regarding the use, import and export of the products sold hereunder. The products and services to be sold hereunder are not intended for use in any nuclear, chemical or weapons production or environmental damage. If Buyer uses the products or services for other impermissible purposes, it shall indemnify, hold harmless and defend YET, all parent and affiliated companies of YET, from and against all related claims and damages.

(f) All rights and remedies available to YET under the Uniform Commercial Code and other applicable law are reserved to YET as remedies in the event of Buyer's default.