1. GENERAL: (a) All sales of products or services by Yaskawa America, Inc., Drives & Motion Division (hereafter “D&M”), is governed exclusively by these Terms and Conditions of Sale (“Terms”), which supersede all inconsistent or additional terms on Buyer’s purchase order or any other document. These Terms constitute the final, complete and exclusive agreement between the parties as to the subject matter hereof. These Terms may be amended only in writing signed by an authorized representative of D&M. (b) Orders must be submitted in the form of a written purchase order or letter from the Buyer and must be acknowledged in writing by D&M’s office in Waukegan, Illinois or such other place as is designated by D&M.

2. PRICES: D&M’s quoted prices are firm for thirty (30) days from the date of D&M’s written proposal. Thereafter, the quoted prices are those in effect at the time Buyer’s Order is placed with D&M. D&M will notify Buyer of any price changes for incorporation in future purchase orders or for shipment of the original order. When the purchase order volume discounts are subject to adjustment by D&M if actual shipping volumes do not meet minimums agreed upon in the purchase order. D&M will notify Buyer at the time of the proposal of the purchase, proposal, order, invoice, or contract subject to correction by Buyer.

3. TERMS OF PAYMENT: (a) All payments are due within thirty (30) days from date of D&M’s invoice. Payment shall be made at the agreed time, to the place specified, and in the currency indicated on D&M’s invoice. D&M reserves the right to evidence and perfect D&M’s grant any security interest that conflicts with that granted to D&M herein. Buyer shall indemnify and hold D&M harmless from any claim or proceeding brought against D&M by Buyer or any of Buyer’s parent/affiliates due to Buyer’s failure to pay in accordance with these Terms.

4. SECURITY INTEREST: To secure any indebtedness due and owing from Buyer to D&M, Buyer hereby grants to D&M, their assigns and successors, a security interest in all products heretofore or hereafter sold by D&M to Buyer, and all products now or hereafter owned by Buyer. The security interest created hereby shall be superior to the security interest of any other person and shall extend to all products now or hereafter owned by Buyer, regardless of the identity of Buyer. All products sold by D&M to Buyer under these Terms shall remain subject to the security interest created hereby until payment in full of all amounts due D&M hereunder. (b) All shipments are F.O.B. D&M’s (or its suppliers’) manufacturing plant or warehouse. D&M retains title to all products sold hereunder until Buyer retrieves the products from the manufacturing plant or warehouse designated by D&M. All products shall be packaged for domestic shipment in accordance with D&M’s standard specifications, unless otherwise specified in the purchase order. (c) Risk of loss or damage to the products shall pass to Buyer upon delivery to Buyer or its representatives, or to a carrier for shipment to Buyer or its designated customer, as the case may be, at the FOB point.

5. SHIPMENT, FORCE MAJEURE, AND ERROR: (a) Shipments/delivery dates are approximations only. D&M shall not be liable to pay any penalty or other damages or to refund the purchase price paid to D&M, if Buyer refuses to accept delivery, or if the delivery is delayed, caused by delays or non-performance resulting from or related to force majeure or other causes beyond D&M’s reasonable control, including, but not limited to, war, blockade, civil disturbances, labor difficulties or any stoppage of the transportation that, in the discretion of D&M, is beyond D&M’s control, or resulting from any cause beyond D&M’s control. (b) All shipments are F.O.B. D&M’s (or its suppliers’) manufacturing plant or warehouse. D&M reserves the right to change the FOB point without notice. (c) Where Buyer orders non-stock products or parts manufactured by a third-party, Buyer shall indemnify and hold D&M harmless from any claim or proceeding brought against D&M by Buyer or any of Buyer’s parent/affiliates due to Buyer’s failure to pay in accordance with these Terms.

6. RETURNS/CANCELLATION CHARGES: Buyer shall not return products to D&M without D&M’s written consent. If D&M agrees to accept return, Buyer shall bear all costs of return, including reasonable costs of packing and shipping. (b) Buyer shall be responsible for all freight charges, import/export charges, duties, taxes, insurance and risk of loss/damage relating to return shipment to D&M.

7. DRAWINGS/MEASUREMENTS: All drawings, drawings, tables, graphs and the like are approximate and are intended for descriptive and illustrative purposes only. Approximations only. Weights, measurements, capacities and all other particulars of products or services offered by D&M are approximations only. D&M is not responsible for any errors or omissions contained herein, or any approximations.

8. LIMITED WARRANTY: (a) At the time of shipment, new and unused product sold by D&M shall be free from defects in materials and workmanship. D&M warrants that for a period of one (1) year from the date of shipment, D&M will, at its option, repair or replace any product or part found by D&M to be defective, D&M will, at its sole discretion and as Buyer’s exclusive remedy, either repair or replace, at no cost to Buyer. The warranty period on repaired or replaced products shall be the greater of the remaining warranty period or ninety (90) days from date of repair or replacement of the repaired or replaced products. If Buyer has any claims under this warranty, Buyer must notify D&M in writing. (b) D&M’s warranty obligation shall be conditioned upon receipt by D&M of written notice of any defect in the products within thirty (30) days of discovery of such defect, or if no defect is reported within thirty (30) days of shipment, whichever occurs first, if any product or part is found by D&M to be defective, D&M will, at its sole discretion and as Buyer’s exclusive remedy, either repair or replace, at no cost to Buyer. D&M products are designed and manufactured under normal conditions for which it was intended and installed, and Buyer shall be solely responsible for the proper use, operation, installation and maintenance in accordance with D&M’s instructions and in accordance with all applicable industrial and safety practices. Products repaired or replaced during the warranty period shall be covered by the foregoing warranty for the remainder of the original warranty period or ninety (90) days from date of the repair or shipment of the repaired or replaced products. D&M warrants, for a period of ninety (90) days, that services shall be performed in a workmanlike manner. Buyer’s sole remedy for any breach of Warranty shall be to return the product or part to D&M for inspection and repair, replacement or refund of purchase price if the product or part is found to be defective, or to refund of purchase price paid to Buyer, at D&M’s sole discretion. (c) D&M’s warranty herein is in lieu of and excludes all other warranties of any kind, express or implied, including, but not limited to, any implied warranties of merchantability and/or fitness for a particular purpose or use. (d) D&M will be liable to Buyer or any entity for any special, indirect, incidental, consequential or other damages, including for lost profits, impairment of goods, work stoppage, labor costs, or other commercial loss or injury to products or services supplied by D&M or any transaction to which these standard terms apply, the maximum liability of D&M will be limited to the price paid by Buyer for the product or service that caused the loss or damage.

9. INFRINGEMENT: The liability of D&M, any parent or affiliated company for patent infringement is limited to D&M’s defense of proceeding brought against Buyer based on a claim that products, when employed in the manner intended by D&M, constitute an infringement of any U.S. patent. If Buyer’s use of the products in the manner intended by D&M is finally enjoined in such action, D&M shall, at its option, procure for Buyer the products which have been altered, abused, misused, or improperly installed or repaired, or for any loss, damage, defect or non-performance resulting from or attributable to Buyer’s specifications. D&M does not guarantee production rates or the quality of goods made using D&M’s products or services, nor shall any longer warranty periods apply, except as agreed in writing signed by an authorized D&M representative.

10. GOVERNING LAW, FORUM AND JURY WAIVER: These Terms and the relationship of the parties are governed by the internal laws of the State of Illinois, without regard to its choice of law rules. Any claim or proceeding arising out of or relating to the sale of products or services by D&M and/or the relationship of the parties, shall be brought in any state or federal court located in Cook County, Illinois. 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 D&M and/or the relationship of Buyer and D&M. The parties agree that any such dispute shall be resolved by arbitration before the National Arbitration Forum, Inc. (NAF). Buyer shall indemnify and hold D&M harmless from and against any and all claims, losses or damages arising therefrom.

11. EXPORT CONTROL: Buyer acknowledges that the products and related software and technology may be subject to export controls of the U.S. Government, including export license requirements and regulations concerning export and import and licensing and currency exchange. In case of non-delivery, D&M will have the right to cancel the contract, which shall be deemed a material breach of contract by Buyer. Buyer shall indemnify and hold D&M, their parent or affiliate, harmless from any claim or proceeding brought against D&M by Buyer or any of Buyer’s parent/affiliates due to Buyer’s failure to pay in accordance with these Terms.

12. MISCELLANEOUS: (a) Failure on the part of D&M to enforce any of its rights derived from these Terms shall never be construed as a waiver of any of D&M’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 YAI trademark must be approved by YAI in writing. (d) If Buyer enters into any contract with any third-party, Buyer agrees to indemnify and hold D&M, its parent or affiliate, harmless from any claim or proceeding brought against D&M by Buyer or any of Buyer’s parent/affiliates due to Buyer’s failure to pay in accordance with these Terms except upon the express written consent of D&M. In any case, these Terms shall bind to the purchase of goods and services by Buyer.