

**Fuji Electric Corporation of America, AC Drives Department
STANDARD TERMS AND CONDITIONS OF SALE**

Buyer's acceptance of delivery of any product sold by Fuji Electric Corp. of America ("Seller") shall constitute Buyer's acceptance of the terms and conditions of sale contained herein ("Terms and Conditions") .

1. Prices

All prices are in the United States of America currency and include the cost of standard packing in accordance with the standards of the manufacturer. Unless otherwise specified herein, such prices do not include shipping and insurance charges. All prices are subject to change without notice.

2. Quotations

Written quotations are valid for 30 days from its date unless otherwise stated in the quotation. Verbal quotations expire the same day they are made.

3. Taxes

The price does not include any taxes. Buyer shall be responsible for the payment of all applicable taxes. The amount of any applicable taxes may be added to each invoice or separately invoiced by seller to buyer.

4. Minimum Order

Orders amounting to less than \$500.00 net per order will be charged a \$50.00 handling fee.

5. Order Change

No changes can be made to orders after check out without contacting Seller. Items can not be added after check out, and a new order must be placed.

6. Terms of Payment

Standard Terms of Payment is Net 30 days unless stated on the quotation or invoice..

7. Invoice

Invoices will be sent by postal mail or electronically via e-mail.

8. Delivery

Estimated delivery schedule information on this web site and shipment date on order acknowledgement are not Seller's commitment or guaranty for delivery on a specified date, but merely estimates. Available stock is subject to prior sale. Seller shall not be liable for failure to ship, or delays in shipment for any reason whatsoever, including, without limitation, by reason of strikes, fires, delays in Seller's source of supply, transportation delays, or other causes. Further, failure to deliver by such deadlines shall not entitle Buyer to rescind orders or to receive compensation or damages of any kind.

Delivery of products shall be FOB point of origin (Long Beach/CA, U.S.A.)

9. Packing

Prices include standard domestic packing. Additional special packing costs required for export or pursuant to Buyer requirements will be charged to Buyer.

10. Weight and Dimensions

The weight and dimensions of products described in Seller's product catalogs are based on the best information available at the time of inception. As Seller follows a policy of continuous product improvement, design changes may make this information obsolete. Information on the web site and catalog is subject to change without notice.

11. Shipping Address

Seller accepts one shipping address per order. No shipments can be made to a P.O. box.

12. Shipping Costs

All shipping costs shall be paid by Buyer unless otherwise specified on the quotation issued by Seller or agreement. Credit card orders will be charged an estimated shipping cost based on product weight.

13. SAME DAY Shipment Request

Orders requesting SAME DAY shipment must be received by 12:00 PM Pacific Time and shipped via next or second day delivery. Standard order processing time for seller is 24 hours; Seller may require additional fee for same day shipment

processing and shipping method restriction. Standard fee for same day processing is \$50 up to line item 10, and ONLY overnight express shipping methods (i.e. UPS red or FedEx overnight) are allowed for same day shipping request.

14. Inspection and acceptance of products

Buyer is responsible for evaluating received products for final acceptance. All claims of shortage must be made within ten (10) days of receipt of products.

15. Returns

Buyer must obtain prior return approval from Seller and receive a RMA number. The RMA number must be prominently displayed on the outside of all returned packages. All returns must be shipped **PREPAID** to Seller's warehouse located at 47520 Westinghouse Drive, Fremont, CA 94539. All returns must be properly packaged to avoid damage en route to Seller's warehouse. Seller will not credit any items damaged in transit to Seller's warehouse. All returned products are considered to be in Buyer's possession until products are accepted and inspected by Seller. No payment deductions should be made until the returns are evaluated and accepted by Seller. After Seller inspection, Seller will report the condition of Buyer's return and decide total credit amount. All returns must be in unused, unaltered, re-sellable condition, in their original package. The original cartons should not be damaged or defaced in any way. Any products Seller determines to be non re-sellable will be returned to Buyer freight **COLLECT**, or disposed of at Buyer's request and at Buyer's expense. **Seller reserves the right to reject returned products that have been issued RMA numbers but are returned by Buyer in non-re-sellable condition.** Seller only accepts the return of the products set forth below within 30 days of invoice date with a 30% re-stocking fee. Products not listed below are not returnable. The following accepted products list is subject to change without notice. All "built-to-order" products are non-returnable and order cancellation is subject to a fee in the amount of 100% of the net order value.

16. Cancellation of Orders

Buyer must obtain prior cancellation approval from Seller. Buyer may request cancellations of previously-placed orders in accordance with the policy set forth herein. Orders for same-day or next-day shipment may not be cancelled. All cancellation requests require Seller's prior approval. Seller will accept cancellations of the following products in the following manner: **All "built-to-order" products are non-returnable and order cancellation is subject to a fee in the amount of 100% of the net order value.**

17. Risk of Loss

Risk of loss or damage to the product shall pass to Buyer at the FOB point.

18. Limited Warranty

18-1 Free of charge warranty period

- (1) The product warranty period is 36 months for installation in USA from date of shipment from Seller controlled by serial number. For installation outside USA, standard warranty period is 24 month, in conjunction with local Fuji branch restrictions at installation location.
- (2) However, in cases where the installation environment, conditions of use, use frequency and times used, etc., have an effect on product life, this warranty period may not apply.
- (3) Furthermore, the warranty period for parts restored by Fuji Electric's Service Department is "6 months from the date that repairs are completed."

18-2 Warranty Range

(1) In the event that breakdown occurs during the product's warranty period which is the responsible of Fuji Electric. Fuji Electric will replace or repair the part of the product that has broken down free of charge at the place where the product was purchased or where it was delivered. However, if the following cases are applicable, the terms of this warranty may not apply.

- 1) The breakdown was caused by inappropriate conditions, environment, handling or use methods, etc. which are not specified in the catalog, operation manual, specification or other relevant documents.
- 2) The breakdown was caused by product other than the purchased or delivered Fuji product.
- 3) The breakdown was caused by product other than Fuji product, such as the customer's equipment or software design, etc.
- 4) Concerning the Fuji's programmable products, the breakdown was caused by a program other than a program supplied by this company, or the results from using such a program.
- 5) The breakdown was caused by modifications or repairs affected by other than Fuji Electric or a Fuji Electric approved service provider.
- 6) The breakdown was caused by improper maintenance or replacement using consumables, etc. not specified in the operation manual or catalog, etc.
- 7) The breakdown was caused by a chemical or technical problem that was not foreseen when making practical application of the product at the time it was purchased or delivered.
- 8) The product was not used in the manner the product was originally intended to be used.

9) The breakdown was caused by a reason which is not this company's responsibility, such as lightning or other disaster.

(2) Furthermore, the warranty specified herein shall be limited to the purchased or delivered product alone.

(3) The upper limit for the warranty range shall be specified in the item (1) above and any damages (damage to or loss of machinery equipment, or lost profits from the same, etc.) consequent to or resulting from breakdown of the purchased or delivered products shall be excluded from the coverage by this warranty.

18-3 Trouble Diagnosis

As a rule, the customer is requested to carry out a preliminary trouble diagnosis. However, at the customer's request, this company or its service network can perform the trouble diagnosis on a chargeable basis. In this case, the customer is asked to assume the burden for charges levied in accordance with this company's fee schedule.

18-4 Exclusion of Liability for Loss of Opportunity, etc.

Regardless of whether a breakdown occurs during or after the free of charge warranty period, this company shall not be liable for any loss of opportunity. Loss of profits, or damages arising from special circumstances, secondary damages, accident compensation to another company, or damages to products other than this company's products, whether foreseen or not by this company, which this company is not be responsible for causing.

18-5 Repair Period after Production Stop, Spare Parts Supply Period (Holding Period)

Concerning models (products) which have gone out of production, this company will perform repairs for a period of 7 years after production stop, counting from the month and a year when the production stop occurs. In addition, we will continue to supply the spare parts required for repairs for a period of 7 years, counting from the month and year when the production stop occurs. However, if it is estimated that the life cycle of certain electronic and other parts is short and it will be difficult to procure or produce those parts, there may be cases where it is difficult to provide repairs or supply spare parts even within this 7 year period. For details, please confirm at our company's business office or service office.

18-6 Transfer Rights

In the case of standard products which do not include settings or adjustments in a application program, the products shall be transported to and transferred to the customer and this company shall not be responsible for local adjustments or trial operation.

18-7 Service Contents

The cost of purchased and delivered products does not include the cost of dispatching engineers or service costs. Depending on the request, these can be discussed separately.

18-8 Applicable Scope of Service

Above contents shall be assumed to apply to transactions and use of the country where you purchased the products. Consult the local supplier or Fuji Electric for the detail separately.

19. Force Majeure

In no event shall the Seller be liable for non-delivery or delays in delivery of the parts and software described herein or for failure or delay in performance of any other obligations contained herein arising directly or indirectly from acts of God, unforeseeable circumstances, acts including delays or failure to act of any governmental authority, war, riot, revolution, priorities, fires, floods, weather, strikes, labor disputes, sabotage, epidemics, factory shutdowns, alterations, embargoes, delays or shortages in transportation, delay or inability to obtain or procure labor, manufacturing facilities, or materials, inability due to causes beyond the Seller's reasonable control. The foregoing provision shall apply even though such causes may occur after the Seller's performance of its obligations has been delayed for other causes.

20. Arbitration

Any controversy or claim arising out of, or relating to this Agreement or any breach hereof, which cannot be amicably settled between the parties shall be settled by arbitration conducted in New York, New York, by the American Arbitration Association, in accordance with the rule then obtaining or said Association, and judgment upon any award rendered may be entered in any court having jurisdiction.

21. Indemnification

Buyer agrees to defend, indemnify, and hold completely harmless Seller and its affiliates from and against all claims, damages, costs, and expenses, including attorneys' fees, arising from or related to Buyer's breach of these Terms and

Conditions or any other agreement between Seller and Buyer. Any dispute/claim matter has not been resolved within 60 days of the written notice, either party may initiate non-binding mediation of the dispute/claim.

22. Governing Law

These terms and conditions of sale shall be governed by and interpreted and construed in accordance with the law of the state of New York.

23. Termination

Seller may terminate any and all obligation to buyer with respect to the sale of Products immediately upon notice to buyer if (a) buyer fails to make payment on the date due or to accept delivery of any shipment; (b) buyer makes any assignment for the benefit of creditors; (c) a trustee or receiver of all or a substantial part of buyer's assets shall be appointed by any court; (d) any bankruptcy or reorganization proceeding against buyer; (e) buyer becomes insolvent or unable to pay its debts; or (f) buyer fails to remedy any breach of these terms and conditions within 30 days after receipt of notice of the breach.

Thank you very much
Fuji Electric Corp. of America