

GENERAL TERMS AND CONDITIONS OF SALES

1. PROPOSAL ACCEPTANCE

All AZBIL EUROPE N.V. ("AZBIL") proposals, all acceptance of Purchasers' orders, and all sales ("the Contract") by AZBIL are expressly limited to, and expressly made conditional upon the Purchaser's acceptance of and assent to the General Terms and Conditions of Sales as set forth herein, notwithstanding receipt of, or acknowledgment of, the Purchaser's order form or specifications containing additional or different provisions, or conflicting oral representations by any agent or employee of AZBIL.

Any additional, different, or conflicting Terms and Conditions on Purchaser's purchase order, specifications, or other document issued by Purchaser are hereby objected to by AZBIL, any such documents shall be wholly inapplicable to any sale made pursuant to this Proposal and shall not be binding in any way on AZBIL.

No waiver, change, or modification of any of the provisions shall be binding on AZBIL unless made in writing expressly stating that it is a waiver, change or modification of the Terms and Conditions and signed by an authorized representative of AZBIL.

2. DELIVERY AND RISK OF LOSS

Unless otherwise stated, all deliveries shall be FCA Brussels or Tokyo, as defined by INCOTERMS, 2000. Risk of loss or damage shall pass to Purchaser upon delivery to the carrier.

3. PAYMENT

All payments by the Purchaser to AZBIL will be made by remittance in advance of the delivery. At AZBIL's sole option, other credit terms may be extended on specific sales. All payments shall be in Euro currency unless otherwise specified in writing by AZBIL. Should Purchaser fail to make any payment on the date due, interest on the related invoice amount shall be due and payable to AZBIL at the rate of twelve (12) percentage per annum.

4. TAXES AND DUTIES

The prices quoted do not include sales, export/import, use, excise or other similar taxes. Purchaser shall pay, in addition to the prices quoted, the amount of any present or future sales, export/import, use, excise or other similar tax applicable to the sale, export/import or use of the sold goods, or in lieu thereof Purchaser shall provide AZBIL with a tax exemption certificate acceptable to the taxing authorities.

5. WARRANTY

GENERAL

During the warranty term AZBIL shall be responsible for and shall take all reasonable steps to remedy free of charge, any Hardware design faults or Software errors except those faults or errors caused by or attributable to:

- (i) any modification to the Hardware or Software by Purchaser, unless such modification is made with the prior written approval of AZBIL;
- (ii) the use of the Hardware or Software with any associated or complementary hardware or software not supplied pursuant hereto;
- (iii) any misuse or abuse of the Hardware or Software;
- (iv) exposure of the Hardware or Software to conditions beyond the environmental, power or operating constraints specified by AZBIL; or
- (v) installation or wiring of the Hardware other than in accordance with AZBIL's instructions.

Any costs incurred by AZBIL in the repair or correction of faults attributable to the foregoing items (i) through (v) shall be for the Purchasers account.

Items subject to wear or burnout through usage such as lamps, fuses, paper media, printer ribbons, pen recorder ink, disposable filters, and the like, shall not be deemed to be defective by reason of such wear or burnout.

HARDWARE

AZBIL warrants Hardware supplied hereunder to be free from defects in material or workmanship for a period of twelve (12) months after the date of delivery or eighteen (18) months from the date code whichever comes first; except that Hardware of other manufacturer which is expressly designated by Purchaser to be supplied hereunder is guaranteed in accordance with the published guarantee of its manufacturers, to the extent AZBIL has the right to such guarantees.

Hardware which is returned, transportation prepaid, to AZBIL's originating factory and found upon AZBIL inspection to be defective in material or workmanship will be repaired or replaced at AZBIL's option, free of charge and return-shipped lowest cost transportation prepaid.

Repaired or replacement Hardware shall be warranted for the remainder of the unused warranty term or for ninety (90) days from shipment whichever is greater.

SOFTWARE

Software is warranted to be free from errors for a period of twelve (12) months from the date of delivery or as is otherwise specified in the applicable License Agreement. For purposes of this warranty, an error shall be the failure of the Software to perform a function as designated in the Functional Specification, or, in the case of standard Software, the AZBIL User Manual applicable to such Software at the time of shipment.

If the Purchaser promptly notifies AZBIL of the Software error and provides a description of the error along with documentation to allow the error to be repeated, AZBIL will, at its option and expense: a) modify the Purchaser's program at AZBIL's facility, or b) make available to Purchaser instructions for modifying the erroneous program, or c) make available at AZBIL's facility, a replacement program.

The foregoing warranty shall constitute the exclusive remedy of Purchaser and the exclusive liability of AZBIL for any breach of any warranty related to the Equipment or Software supplied hereunder.

THE WARRANTY SET FORTH HEREIN IS EXCLUSIVE, AND AZBIL EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

6. DELAYS IN DELIVERY

AZBIL shall not be liable for any delay in the delivery of any part of the Equipment or Software if such delay is due to any cause beyond the control of AZBIL, including but not limited to the acts of God, fires, epidemics, floods, riots, wars, sabotage, labor disputes, governmental actions, or inability to obtain materials, components, manufacturing facilities, or transportation as a result of such causes. In addition, AZBIL shall not be liable for any delays in delivery or performance caused by failure of Purchaser to provide any necessary information in a timely manner. In the event of such delay, the date of shipment or performance hereunder shall be extended by a period equal to the time lost by reason of such delay and, in instances of Purchaser caused delay, the contract price and other affected terms shall be equitably adjusted.

The delivery dates set forth in the Contract are approximate only, and AZBIL shall not be liable for, nor shall the Contract be breached, by any delivery by AZBIL within a reasonable time after such date.

7. CHANGE AND CANCELLATION

Changes of specifications may be implemented at Purchaser's request during the period from the start of engineering up to the commencement date of manufacturing. Any unrecoverable costs incurred on the part of AZBIL will be charged to the Purchaser after review of the progress of manufacture and assessment of the costs which AZBIL have incurred.

Any order which has been canceled by the Purchaser will be subject to a cancellation charge which depends on the status of factory order. Any revision which calls for and/or requires a change of the haste model number shall be deemed as a cancellation.

Cancellation charges.

The following table indicates the rate of cancellation charge at various stages of progress of the AZBIL factory order.

<u>Time of cancellation</u>	<u>Agreed price</u>
After order acknowledgment but prior to release for production :	10%
After release for production but prior to completion :	60%
After completion but prior to shipment :	100%

Notes:

1. Regarding OEM products (purchaser's brand products) and special models only for specific customers, we shall request 100% as cancellation charge after order acknowledgment.
2. Regarding externally purchased item(s), AZBIL's cancellation conditions will be passed onto the Purchaser.

8. MINIMUM ORDER LEVEL

The minimum order level acceptable by AZBIL is one hundred and fifty Euro (€150) per each purchase order.

9. LIMITATION OF LIABILITY

IN NO EVENT SHALL AZBIL BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES RESULTING FROM AZBIL'S PERFORMANCE, OR FAILURE TO PERFORM, PURSUANT TO THE CONTRACT, OR THE FURNISHING, PERFORMANCE, OR USE OF ANY EQUIPMENT OR SOFTWARE SOLD PURSUANT HERETO, WHETHER DUE TO A BREACH OF CONTRACT, BREACH OF WARRANTY, THE NEGLIGENCE OF AZBIL, OR OTHERWISE.

10. PATENT INDEMNITY

AZBIL shall, at its own expense, defend any suit that may be instituted against Purchaser for alleged infringement of any Japanese patents or copyrights related to the parts of the Equipment manufactured by AZBIL, provided that:

- (i) Such alleged infringement consists only in the use of such equipment by itself and not as a part of or in combination with any other devices or parts not provided by AZBIL hereunder;
- (ii) Purchaser gives AZBIL immediate notice in writing of any such suit and permits AZBIL, through counsel of its choice, to answer the charge of infringement and defend such suit; and
- (iii) Purchaser gives AZBIL all needed information, assistance and authority, at AZBIL's expense, to enable AZBIL to defend such suit.

Purchaser shall be immediately cease marketing and selling the Equipments in question if AZBIL so decides and notifies to Purchaser in writing.

In the case of a final award of damages in any such suit, AZBIL will pay such award, but shall not be responsible for any settlement made without its written consent.

11. SOFTWARE LICENSE

The terms and conditions of licensing Software shall be provided in the Software Licensing Agreement to be entered into between AZBIL and an end-user.

12. PROPRIETARY INFORMATION

All proprietary information (as defined below) obtained by Purchaser from AZBIL in connection with the Contract shall remain the property of AZBIL, and for a period of seven (7) years from the date of disclosure to Purchaser. Purchaser shall not disclose such proprietary information to any third party, or use such information in any way other than expressly provided by contract.

As used herein, the term "proprietary information" shall mean written information (or oral information reduced to writing), or information in machine-readable form, including but not limited to Software supplied to Purchaser hereunder which AZBIL deems proprietary or confidential and characterizes as proprietary at the time of disclosure to Purchaser by marking or labeling the same "Proprietary", "Confidential", or "Sensitive".

The Purchaser shall incur no obligation hereunder with respect to proprietary information which:

- (i) is publicly known at the time of disclosure to Purchaser;
- (ii) is known to Purchaser at the time of disclosure to Purchaser;
- (iii) is received by Purchaser from a third party without restrictions similar to those contained herein;
- (iv) is independently developed by Purchaser;
- (v) is furnished to a third party by AZBIL without the restrictions on the third party's rights similar to those contained herein; or
- (vi) is approved for release in writing by an authorized representative of AZBIL.

13. APPLICABLE LAW

The Contract shall be governed by the laws of Belgium.

14. EXPORT CONTROL

Purchaser understands and agrees that they are subject to all applicable laws and regulations of the United States of America ("U.S."), Japan and any other applicable jurisdiction with respect to the export and use of the Equipment, Software, services and/or technology sourced from the U.S., Japan or any other applicable jurisdiction. Purchaser shall comply in all respects with such laws and regulations insofar as they may apply to their performance under the Contract. Without limiting the generality of the foregoing, Purchaser shall not sell, re-export, deliver, retransfer the Equipment, Software, service or technology, directly or indirectly, to any entity related to the design, development, production, stockpiling or use of chemical, biological or nuclear weapons or missiles.

15. ASSIGNMENT

The Contract may not be assigned by Purchaser without the prior written consent of AZBIL, and any assignment without such consent shall be unenforceable against AZBIL.