

General Conditions of Sales and Delivery as of June 2008

1. General

1.1 These General Conditions of Sales and Delivery shall be binding if declared applicable in the offer or order confirmation.

Any conditions stipulated by the customer which are in contradiction to these general conditions shall only be valid if expressly accepted by the supplier in writing.

1.2 All agreements and legally relevant declarations of the parties to the contract have to be in writing in order to be valid.

2. Offers and Conclusion of Contract

2.1 The contract shall be deemed to have been entered into upon receipt of supplier's written confirmation stating its acceptance of the order.

2.2 Offers which do not stipulate an acceptance period shall not be binding.

2.3 Offers made by the supplier on its Internet Website are not binding. The supplier reserves the right to amend or withdraw its Website offers at any time.

3. Scope of Supplies

3.1 The supplies are specified in the order confirmation. Any material and services which are not included therein shall be additionally charged.

3.2 The supplier shall be entitled to make any changes which lead to improvements.

4. Regulations in Force in the Country of Destination

The customer shall inform the supplier, upon placing the order at the latest, about the standards and regulations applicable to the execution of the supplies and services, to the operation of the plant as well as to the health and safety of personnel.

5. Technical documents

5.1 Unless otherwise agreed upon, brochures and catalogues are not binding. Data provided for in technical documents are only binding in so far as having been expressly stipulated as such.

5.2 Each party to the contract retains all rights to technical documents provided to the other. The party receiving such documents recognises these rights and shall - without previous written consent of the other party - not make these documents available to any third party, either in whole or in part, nor use them for purposes other than those for which they were handed over.

5.3 The customer guarantees that the sample parts, technical documents, calculations and other indications provided to the supplier to perform the order are complete and accurate.

6. Prices

6.1 Unless otherwise agreed upon, all prices shall be deemed to be net ex works, in Swiss Francs and shall not include any packing, freight, insurance, taxes, duties, assembling, installation and initiation.

6.2 If a general price increase is decreed between confirmation of the order and delivery, the new prices shall apply.

7. Terms of Payment

7.1 Payments by customers domiciled in Switzerland shall be made within 30 days net. For supplies to foreign countries, payment shall be made by irrevocable letter of credit confirmed by a reputed Swiss Bank, unless otherwise agreed upon.

7.2 Payments shall be made by the customer to the registered address of the supplier without any deducting for cash discount, expenses, taxes or duties of any kind. Other terms of payment may be agreed separately.

7.3 In case of delay in payment the supplier is entitled to discontinue planned deliveries and to charge a default interest of 6 % p.a.

8. Right of retention, payments in advance

The supplier may withhold performance or make it dependent upon payments in advance by the customer or demand a security in respect of its claim for payment, if the customer defaults on payment or the supplier has a suspicion justified by factual evidence, that the creditworthiness of the customer is in doubt, particularly if a cheque is not honoured or the customer ceases payments.

9. Proprietary Right

9.1 The supplier shall retain ownership of the products supplied until full payment has been received. The customer shall take all necessary measures for the protection of the proprietary rights of the supplier.

9.2 The supplier is entitled, with customer's participation, to apply for registration of the reservation of the proprietary right.

10. Delivery Time

10.1 The delivery time shall start as soon as the contract has been entered into and all technical points have been settled.

10.2 The delivery time shall be reasonably extended: - if the information required by the supplier for performance of the contract is not received in time, or if the customer subsequently changes it; - if agreed terms of payment are not met, letters of credit are opened too

late, or the necessary import licenses are not received by the supplier in time; - if hindrances occur which the supplier cannot prevent despite using the required care, regardless whether they affect the supplier or the customer or a third party. Such hindrances include, but shall not be limited to, epidemics, mobilisation, war, revolution, serious breakdown in the works, accidents, labour conflicts, late or deficient delivery by subcontractors of raw material, semifinished or finished products, the need to scrap important work pieces, official actions or omissions by any state authorities or public bodies, natural catastrophes, acts of God.

11. Delay in Delivery

11.1 The customer shall be entitled to claim liquidated damages for delayed delivery provided that the delay has been caused by a fault of the supplier and that the customer has suffered a loss as a result of such delay. If substitute material can be supplied to accommodate the customer, the latter is not entitled to any damages for delay.

11.2 Damages for delayed delivery shall not exceed ½ % of the part of supply in delay for every full week's delay and shall in no case whatsoever exceed 5 % of the contract price of the part of the supplies in delay. No damages at all shall be due for the first four weeks of delay.

11.3 Any delay of the supplies does not entitle the customer to any rights and claims other than those expressly stipulated in these Articles 11.1 and 11.2.

12. Passing of benefit and risk

12.1 The benefit and the risk of the supplies shall pass to the customer by the date of their leaving the works.

12.2 If dispatch is delayed at the request of the customer or due to reasons beyond supplier's control, the risk of the supplies shall pass to the customer at the time originally foreseen for their leaving the works. From this moment on, the supplies shall be stored and insured on the account and the risk of the customer.

13. Forwarding, Transport and Insurance

13.1 The products will be packed by the supplier. The packing will be charged separately at the costs of the supplier.

13.2 Special requirements regarding forwarding and insurance shall be communicated to the supplier in good time. Transport shall be at the customer's expense and risk. Complaints in respect of transport shall be submitted immediately by the customer to the last carrier on receipt of the products or the shipping documents.

13.3 Insurance against risks of any kind is the responsibility of the customer. Even when taken out by the supplier, it shall be at the customer's expense.

14. Inspection and Taking-over of the Supplies

The customer shall inspect the supplied products within a reasonable period after having received them and shall immediately notify the supplier in writing of any deficiencies. If the customer fails in doing so, the products shall be deemed to have been taken over.

15. Warranty and Disclaimer

15.1 The supplier hereby warrants that the products delivered by him will be free from defects in material and workmanship.

15.2 Express warranties are only those expressly specified as such in the order confirmation or in the manual. An express warranty is valid until the expiry of the warranty period at the latest.

15.3 In case delivered products are defective, the customer may request for compensation delivery or elimination of defect by the supplier during the warranty period. The warranty period will start on the date of delivering the products or the day of supplier's notification that the products are ready for dispatch.

The warranty period shall be two years when using the products in a max. two-shift operation, ends however prematurely on attaining 40 mio. loadings for handling components or on attaining a standard of efficiency of 20'000 km for axes. The warranty includes defects in material and workmanship and does not include any damages which are caused due to normal wear and tear, improper use or inadequate maintenance. Excluded from supplier's warranty are wearing parts and tools.

15.4 If a defect according to Article 15.3 is not eliminated or compensated by the supplier within a reasonable period, the customer may ask for price reduction or annulment of the contract.

15.5 The warranty expires prematurely, if the customer or a third party undertakes inappropriate modifications or repairs or if the customer, in case of a defect, does not immediately take all appropriate

15.7 With respect to any defective material, design or workmanship as well as to any failure to fulfill express warranties, the customer shall not be entitled to any rights and claims other than those expressly stipulated in Articles 15.3 and 15.4 hereof.

15.8 Not mentioned claims for compensation, for reduction, for termination and for withdrawal of the contract are excluded. The supplier shall not be liable for any direct, indirect, consequential or incidental damages that are not arisen on the product, including damages for loss of business information, loss of profits, production interruption and the like, subject to the compelling product liability law.

16. Assembling and Initiation

16.1 Unless otherwise agreed in writing, assembling and initiation of the supplied products at the premises of the customer is not included.

16.2 Assembling, initiation and final inspection will be charged to the customer at the valid rates of the supplier for working and travel hours, travel and cash expenses.

16.3 The supplier will supervise the assembling, initiation, test runs and final inspection. The customer will assist the supplier with qualified technical operating staff and the necessary ancillary staff free of charge.

16.4 The customer will provide the supplier, free of charge, with all necessary materials, sample parts, accessory equipment, tools and energy at the place of installation.

16.5 Especially during the initiation, the test runs and the final inspection, the customer shall guarantee adequate and safe working conditions in order to enable the supplier to carry out the necessary work within the scheduled time period.

16.6 The instruction of the operating staff and the training of the maintenance staff shall be made by the supplier by charging the valid rates.

17. Governing Law

The present General Conditions of Sales and Delivery shall be governed in all respects by Swiss law.

18. Jurisdiction

The place of jurisdiction for any disputes shall be at the registered office of the supplier

19. Documentation

The product documentation will only be provided in German, English and French.

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