

Terms and Conditions of Sale

By placing an order, you ("you", "your" or "Buyer") agree that your order ("Order") of products ("Products") or software programs ("Software") from Festo Didactic Ltd. ("Festo" or "us") is subject to the following Terms and Conditions of Sale (these "Terms"), which shall constitute an agreement of sale between you and Festo. These Terms shall prevail over any conflicting terms or conditions you may submit at any time, unless otherwise specifically agreed in writing by Festo. Partial or full fulfillment of an Order does not constitute acceptance by Festo of any of Buyer's terms and conditions and does not serve to modify or amend these Terms.

1. **TERMS OF PAYMENT:** Net 30 days from the invoice date. Late payments shall bear interest at the lower of prime plus 2% per annum or the maximum rate allowable by law. Buyer agrees not to make any deduction or set-off from any payments without Festo's prior written authorization.

2. **PRICES AND QUOTATIONS:** Price quotations are firm during the 30 day period subsequent to the date at which the quotation is given. Where an Order Confirmation (defined below) for such quotation is not issued during this 30 day period, then subsequent to such period, prices are subject to change without notice, up until the date of such Order Confirmation.

3. **ORDERS:** All Orders are subject to written acceptance by Festo. If your order is accepted, your Order will be confirmed through an Order Confirmation, which will include a Projected Delivery Date, as defined below (an "Order Confirmation"). Prices set out in an Order Confirmation are final.

4. **DELIVERIES:** All deliveries are made Ex Works our warehouse INCOTERMS 2010, 675, rue du Carbone, Quebec, Quebec, G2N 2K7. Festo will, at Buyer's request, arrange for a carrier or other shipping method at its warehouse. All shipping charges are for Buyer's account. Each delivery date quoted in an Order Confirmation (each a "Projected Delivery Date") is an estimate based upon best information available at the time of quotation. Festo shall not be held liable for delays in shipping due to causes beyond our control or the control of our suppliers or subcontractors. Festo reserves the right for partial deliveries and deliveries prior to the Projected Delivery Date. If delivery is delayed for reasons related to Buyer or in Buyer's control, Festo, at its option, may store such Products until Buyer picks them up, whereupon Buyer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

5. **RETURNED GOODS:** Orders can only be returned for credit. No returns for credit will be allowed without Festo's authorization. Only unused active items in current demand will be considered for return for credit. Credit will be based upon the prices invoiced for the Product, subject to deduction for handling, re-inspection, and any additional expense incurred in restoring goods to saleable condition. All shipping charges shall be prepaid by you.

6. **ORDER CANCELLATIONS:** Cancellations of Orders which are the subject of an Order Confirmation are subject to a reasonable cancellation charge. Notwithstanding the foregoing, (a) Orders for special Products or Software which are the subject of an Order Confirmation may not be cancelled by you, and (b) Price increase cancellations will not be subject to a cancellation charge. Any cancellation of a delivered Order will be treated as a request to return the Products, as described under "Returned Goods" above.

7. **SOFTWARE LICENSE:** Where Software is included in an Order as either part of a Product or on a standalone basis, the terms of this Section 7 shall additionally apply:

(a) Festo shall provide the Software, consisting of the machine program and the manual, in the agreed format or, otherwise, in the Festo's standard manner.

(b) Buyer is granted a non-exclusive and non-assignable license for the agreed scope of use of the Software (as set forth in the Order) in unmodified form. Use of the Software is limited to Buyer's internal business purposes only. Buyer may not make any copies of the Software except as set forth in the Order. Buyer will not modify, reverse engineer, or decompile the Software, or create derivative works based on the

Software. Buyer will not distribute the Software to any other persons or entities. Buyer may not sell the Software to any person or make any other commercial use of the Software except as set forth in the Order. Buyer will not remove any copyright and trademark notices on the Software and manuals and will take other necessary steps to protect Festo's intellectual property rights. All rights not expressly granted hereunder are reserved by Festo. Buyer shall not permit the Software, including such copies and later modifications, to be accessed by third parties without Festo's prior written consent.

(c) Buyer shall take all necessary measures to prevent any damage caused by the Software, in particular to ensure the regular backup of programs and data.

(d) Buyer shall take adequate precautions to ensure the correct functioning of the Software, including taking measures to protect against malicious software.

(e) Buyer is responsible to ensure reliability and performance of the working environment of the Software (including all non-Festo hardware).

(f) The Software is suitable for the use described in its specifications. Festo does not warrant that the Software shall meet Buyer's requirements or shall operate in all combinations which may be selected for use by Buyer.

(g) Festo makes no warranty that the Software is deemed completely free of errors. Buyer shall support Festo in the rectification of errors, in particular by giving full and complete descriptions of any problems with the Software and allowing a sufficient period of time for such rectification.

(h) The Software, and all underlying information or technology may not be exported or re-exported into any country to which the U.S. has embargoed goods, or to anyone on the U.S. Treasury Department's list of Specially Designated Nationals or the U.S. Commerce Department's Table of Deny Orders, the Public Safety Canada Currently Listed Entities List, the Canada Office of the Superintendent of Financial Institutions Cumulative Warning List of Names subject to the Regulations Establishing a List of Entities made under subsection 83.05(1) of the Criminal Code (Canada) or otherwise prohibited under the Export and Import Permits Act (Canada) (or any successor regulations or supplement). Buyer will not export the Software or any underlying information or technology to any facility in violation of these or other applicable laws and regulations. Buyer represents and warrants that it is not a national or resident of, or located in or under the control of, any country subject to such export controls.

8. **INSTALLATION:** (a) Where provided for in the Order, Festo shall install Products and Software ready for use. Buyer shall, at its own cost, provide all materials and incidentals, including but not limited to, providing sufficient electrical capacity, air conditioning, computer hardware and associated network and internet connectivity necessary to permit installation and use and testing of Products and/or Software in accordance with Festo's specifications and all applicable laws and regulations.

(b) Buyer assumes all responsibility for damage caused by contractors or laborers supplied by Buyer.

(c) Buyer shall obtain all permits and licenses required by federal, state, province or local authorities in connection with the installation and operation of the Products and shall bear any expense in obtaining same or in complying with any related rules, regulations, ordinances and statutes.

(d) Where Festo has agreed in the Order to install Products and/or Software, installation shall be deemed complete upon the earlier of (a) when Products and/or Software are installed and confirmation has been made that such Products and/or Software meet Festo's specifications or (b) when Buyer uses such Products and/or Software.

(e) Festo offers no warranties and assumes no liabilities for the fitness or adequacy of the premises (or the utilities available at such premises) in which Products are to be installed, used or stored. Buyer shall indemnify and hold Festo harmless against any loss, damage, or claim arising out of the condition of the premises or such utilities.

9. PRODUCT OPERATION: (a) Buyer agrees that all Products purchased hereunder shall be operated exclusively by duly qualified personnel in a safe and reasonable manner in accordance with Festo's written instructions and for the purpose for which the Products were intended. Festo does not offer and will not be responsible for training of Buyer's personnel except as may be agreed in writing. Buyer agrees to indemnify and hold Festo harmless from and against all claims, demands, actions, causes or actions, judgments and costs, including reasonable attorney's fees, arising out of or in connection with the operation of the Products by the Buyer, unless caused by Festo's negligence.

(b) Any necessary or desired repair of and/or part replacement in Products and/or Software may only be handled by Festo or one of its authorized representatives, unless Festo has expressly authorized Buyer to do so in writing.

(c) If Festo has so authorized Buyer, (i) such Product and/or Software must only be repaired in strict conformance with Festo's specifications and instructions, and (ii) parts must only be replaced by parts supplied or specified by Festo and in strict conformance with Festo's specifications and instructions, in each case, including post-repair and/or post-replacement testing and calibration. Failure to follow this requirement can be dangerous to Buyer and Buyer's personnel and will void the warranty for such Product repaired or in which the part was replaced and, if the part was supplied by Festo, for that part.

(d) Unless Festo has expressly authorized a repair and/or part replacement by Buyer, and if Buyer fails to follow the other procedures provided in the foregoing, Festo shall not incur any liability whatsoever based on the repair of or the replacement of parts in Products by Buyer or by third parties.

10. SECURITY INTEREST: As security for the timely payment and performance of all amounts due by Buyer to Festo, Buyer hereby grants to Festo a first priority security interest (the "Security Interest") in Products and in any proceeds derived therefrom ("Collateral"). The Security Interest shall remain in force until payment in full of the entire purchase price for the applicable Products and any other amounts due to Festo by Buyer has been received. Buyer hereby authorizes Festo to prepare, execute, deliver and file on behalf of Buyer any and all documents required or necessary to create, perfect, preserve and enforce Festo's security interest in the Products, including the appropriate UCC financing statements.

11. PROPRIETARY RIGHTS, DESIGNS AND PUBLISHED DATA: Festo reserves all rights in and to all designs, specifications and data in respect of Products and Software, as well as all rights in and to all other documents, intellectual property and other proprietary information of Festo provided to Buyer. All designs and specifications in respect of the Products and Software for sale on the Festo web site are subject to change without notice. Such changes are not to be considered retroactive, and Festo assumes no responsibility for revision of models already in the field. All data in respect of Products and Software sold by Festo, including CAD models, catalogues, and demonstrations are sufficiently accurate for general use, but Festo assumes no responsibility for errors or omissions in respect of same.

12. LIMITED WARRANTY: (a) Festo, as its sole warranty, represents that Products and/or Software for a period of two years from delivery will perform in compliance with their written specifications when properly operated and maintained in accordance with the instructions furnished by Festo; provided, however, that with respect to subscription Software, such warranty period shall expire concurrently with the expiration or termination of the applicable subscription.

(b) If such Products and/or Software or any part of assembly thereof of Festo's manufacture prove defective in either materials or workmanship, or do not perform in compliance with their written specifications when properly operated and maintained in accordance with the instructions furnished by Festo, Festo, at its option, will repair or replace same without charge.

(c) Upon discovery of any purported defect or deficiency, Buyer shall immediately notify Festo thereof and provide an appropriate purchase order and grant Festo the time and opportunity to investigate the purported defect or deficiency.

(d) In any event Buyer shall be responsible for all non-warranty related work performed by Festo as well for all travel expenses, waiting time and overtime differentials of Festo's personnel.

(e) The warranty set forth in Section 12(a) warranty shall be void if: (i) such Products and/or Software are not installed by Festo or the installation of such Products is not supervised by Festo, (ii) such Products and/or Software are not operated and maintained in accordance with the instructions furnished by Festo or are repaired or maintained without Festo's express authorization, (iii) such Products and/or Software are injured or damaged as a result of water, fire, misuse, accident, or neglect, (iv) such Products and/or Software are modified or altered, (v) Buyer fails to notify Festo within 20 days of any claimed breach of Festo's warranty, said time to run from the time when Buyer learns that the Products are not operating as warranted, or (vi) Buyer fails to make any damaged or defective part and/or software program available to Festo for inspection.

(f) Specifically excluded from Festo's warranty is the replacement of any part of a Product with a limited life due to normal wear, and any parts where the manufacturer thereof provides its own warranty. Repairs or parts not within Festo's warranty shall be charged to Buyer at Festo's regular rates, plus expenses portal to portal.

(g) THE REMEDIES SET FORTH IN SECTION 12(b) SHALL BE BUYER'S SOLE AND EXCLUSIVE REMEDY AND FESTO'S ENTIRE LIABILITY FOR ANY BREACH OF THE LIMITED WARRANTY SET FORTH IN SECTION 12(a).

(h) THE LIMITED WARRANTY SET FORTH IN SECTION 12(a) IS EXPRESSLY IN LIEU OF ANY AND ALL OTHER WARRANTIES, AND FESTO DISCLAIMS ANY AND ALL OTHER EXPRESS WARRANTIES AND ALL IMPLIED WARRANTIES WITH RESPECT TO PRODUCTS AND SOFTWARE, INCLUDING ANY (I) WARRANTY OF MERCHANTABILITY, OR (II) WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE OR OTHERWISE.

13. LIMITATION OF LIABILITY: IN NO EVENT SHALL FESTO BE LIABLE FOR (I) ANY DAMAGES BASED IN NEGLIGENCE, (II) ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, OR (III) ANY LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF OR RELATING TO ANY BREACH OF THESE TERMS, WHETHER OR NOT THE POSSIBILITY OF SUCH DAMAGES HAS BEEN DISCLOSED IN ADVANCE TO BUYER OR COULD HAVE BEEN REASONABLY FORESEEN BY BUYER, REGARDLESS OF THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

IN NO EVENT SHALL FESTO'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHERWISE, EXCEED THE TOTAL AMOUNTS PAID TO FESTO FOR ITS PRODUCTS AND SOFTWARE SOLD HEREUNDER.

14. FORCE MAJEURE: Festo shall not be liable or responsible to Buyer, nor be deemed to have defaulted or breached these Terms, for any failure or delay in fulfilling or performing any term of these Terms when and to the extent such failure or delay is caused by or results from acts of God or acts or circumstances beyond the reasonable control of Festo.

15. GENERAL PROVISIONS: These Terms may only be amended or modified in a writing. The provisions of these Terms are severable, and if any one or more such provisions shall be judicially determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions or portions of this Agreement shall nevertheless be binding on and enforceable by and between the parties to this Agreement. This Agreement is governed by the laws of the province of Quebec and the laws of Canada applicable therein (without regard to conflicts of law principles). The Parties irrevocably submit all disputes arising out of or relating to this Agreement to Quebec courts, judicial district of Quebec. The application of the United Nations Convention on the International Sale of Goods is hereby excluded.