

TERMS – Kollmorgen AGV Systems**1. ACCEPTANCE**

“Agreement” means the agreement arising from the acceptance of Seller’s Proposal and its attachments, including these Terms. Any terms and conditions originating with Buyer are superseded by these Terms and Conditions and shall not be or become part of the contract between Buyer and Seller unless specifically accepted in a writing signed by a duly authorized representative of Seller. Acknowledgement of the receipt of any order, including signing and returning to Buyer its acknowledgement copy, if any, shall not constitute acceptance by Seller of any additional or different terms and conditions, nor shall Seller’s commencement of effort, in itself, be construed as acceptance of an order containing additional or different terms and conditions. Seller shall have no liability until and unless the orders are accepted. Buyer assumes full responsibility for inaccurate, incomplete or faulty data supplied to Seller for Seller’s use in the performance of orders.

2. PRICES

Prices are quoted Ex Works (INCOTERMS 2010). Goods and Services will be billed at the prices in effect at the time of shipment. Partial shipments on quantity orders shall be deemed a separate and independent contract for billing. Freight charges will be “Prepaid and added to the invoice” unless specified otherwise. Prepaid charges will be invoiced using Seller’s freight and handling charge rate list. Courier service and/or US Parcel Post charges will be prepaid and added to the invoice using current rates. Seller does not accept COD orders.

3. TAXES

Prices do not include any sales, use, excise, property, import, export or such taxes that may be levied on the transaction by local, state, federal or foreign governments. Any such taxes shall be the responsibility of Buyer. If Seller is required to pay any such taxes, the cost shall be added to the invoice or billed to Buyer separately.

4. DELIVERY

Unless otherwise agreed to by Seller, all shipments are made Ex Works (INCOTERMS 2010) Seller’s factory. Delivery to a common carrier or licensed trucker shall constitute tender of delivery to Buyer and all risk of loss or damage in transit shall be borne by Buyer. In no event shall Seller be held liable for any damages or expenses caused by delays in delivery. The parties recognize that delivery dates are approximate.

Method and route of shipment are at Seller’s discretion, unless Buyer supplies explicit instructions that are accepted by Seller in writing in accordance with these Terms. If Seller is prepared to make shipment, and Buyer delays delivery, terms of payment shall apply as though delivery had been affected as of the date that Seller was prepared to make shipment. All costs associated with handling, care and custody of the Goods shall be to the account of Buyer. If Seller fails to deliver all or any part of the Goods within a period of five (5) days after the confirmed delivery date, the Company will be entitled to compensation with 0.5 per cent of the price of the Goods in delay for every full week of delay, with a maximum compensation of 7.5 percent of such price. Seller reserves the right to ship the Goods up to five (5) days in advance of the specified delivery dates without affecting the terms of payment, price or any other of the terms of the order. Seller shall not be liable for delay in delivery or failure to manufacture due to causes beyond its or its subcontractors’ reasonable control, including, but not limited to, delays or failures due in whole or in part to, acts of God, acts of Buyer, acts of civil or military authority, priorities, fire, strike, floods, acts of terrorism, insurrection, epidemics, quarantine, war, riot, transportation delays, acts of a public enemy, inability to obtain necessary labor, materials or manufacturing facilities, or other causes similar to those enumerated. In the event of any such delay or failure, the date of delivery shall be extended for a period equal to the time lost by reason of the delay.

5. TERMS OF PAYMENT

Terms of payment are Net 30 from date of invoice. Late charges at the interest rate (i) of 1.5% per month (18% annually) or (ii) the maximum rate permitted under applicable law, whichever is less, may be charged on past due accounts. All shipments on open account are subject to approval of Seller’s credit department.

6. LIMITED WARRANTY

Seller warrants that the Goods sold and provided hereunder are free from defects in material and workmanship for a period of **twelve (12)** months from date of delivery (the “Warranty Period”). Seller warrants its Good(s) and Services only to the original Buyer. There are no warranties whatsoever on Goods built or acquired, wholly or partially, to a Buyer’s designs or specifications. Seller also warrants that the Services will be performed in a professional and workmanlike manner. Warranty claims on Services must be made within two weeks from the finalization of the acceptance tests, or in the absence of such tests within two weeks from the finalization of the service.

Buyer's exclusive remedy and Seller's entire liability for breach of the warranty for the Services shall be the re-performance of the specific non-conforming Service that is discovered during the Warranty Period.

This express warranty in this section is in lieu of and excludes all other warranties, express or implied, by operation or law or otherwise including THE WARRANTY OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE (WHETHER KNOWN TO SELLER OR NOT), all other such warranties being hereby expressly disclaimed by Seller and waived by Buyer.

Written notice of claimed defects shall have been given to Seller within the Warranty Period, and within thirty (30) days from the date any such defect is first discovered. The Goods or parts claimed to be defective must be returned to Seller, accompanied by a Return Material Authorization (RMA) issued by Seller's facility responsible for supplying Goods, with transportation prepaid by Buyer, with written specifications of the claimed defect. If a warranty claim is valid, Seller shall pay reasonable one-way costs of transportation of the defective Goods from either the original destination or the location where defect occurred, whichever is closest to Seller's facility. Should any of the Goods fail to conform with the foregoing warranty during the Warranty Period provided that the Product has been normally and properly (i) used, stored, handled, installed and maintained and (ii) de-installed, packed and shipped back to Seller by Buyer, shall at its discretion, either (y) repair or replace the Goods, or (z) provide Buyer with a credit equal to the price paid by Buyer for the Goods. If the warranty return is "No Problem Found," the Buyer is responsible for an RMA evaluation and return shipping charges. Under no circumstances shall Seller be liable for removal of Seller's Goods from Buyer's equipment or re-installation into Buyer's equipment. No person including any agent, distributor, or representative of Seller is authorized to make any representation or warranty on behalf of Seller concerning any Goods manufactured by Seller.

7. SOFTWARE WARRANTY

Buyer understands and agrees that the licensed Software has been designed to perform a given set of tasks as defined in the documentation provided and is offered "AS IS." It is Buyer's responsibility to determine if the features of the Software are suitable for Buyer's requirements and must confirm that the software programs operate correctly. Buyer understands that such Software programs are of such complexity that they may have inherent defects and that Seller makes no warranty that all software features will perform correctly as supplied. For Seller's Software utilizing automation servers, improper reading and writing data to the automation server can cause the automation server software to malfunction and may cause the automation server and/or

the program writing to the automation server to crash. Improperly reading and writing data to an automation server may cause the device controlled by that automation server to malfunction. Seller shall not be responsible for damage to any device or damage caused by any device due to the improper reading and/or writing of data to an automation server.

8. LIMITATION OF LIABILITY

NOTWITHSTANDING ANYTHING TO THE CONTRARY, SELLER SHALL NOT BE LIABLE FOR ANY SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO LOST PROFITS ARISING OUT OF THE PERFORMANCE, DELAYED PERFORMANCE OR BREACH OF PERFORMANCE REGARDLESS WHETHER SUCH LIABILITY BE CLAIMED IN CONTRACT, EQUITY, TORT OR OTHERWISE. SELLER'S OBLIGATION IS LIMITED SOLELY TO REPAIRING, REPLACING (AT ITS OPTION AND AS SET FORTH ABOVE) THE GOODS, OR REPERFORMING THE SERVICES, ANY GOODS OR SERVICES WHICH PROVE TO SELLER'S SATISFACTION TO BE DEFECTIVE AS A RESULT OF DEFECTIVE MATERIALS, WORKMANSHIP OR SERVICES, IN ACCORDANCE WITH SELLER'S STATED WARRANTY. IN NO EVENT SHALL SELLER'S LIABILITY EXCEED THE PURCHASE PRICE OF THE GOODS OR SERVICES THAT GAVE RISE TO SUCH LIABILITY. THE PROVISIONS OF THIS SECTION SHALL SURVIVE ANY TERMINATION OR EXPIRATION OF THE AGREEMENT. THE REMEDIES OF THE BUYER ARE EXCLUSIVE AND IN LIEU OF ANY AND ALL OTHER REMEDIES THAT MAY BE AVAILABLE TO BUYER UNDER APPLICABLE LAW OR OTHERWISE EVEN IF SUCH REMEDY(IES) SHOULD FAIL OF THEIR ESSENTIAL PURPOSES..

9. PATENT INDEMNITY

Seller shall have no liability for infringement of any patents, trademarks, copyrights, trade dress, trade secrets or similar rights except as specifically provided in this section. Any liability of Seller shall be limited as set forth in section 8. Seller will defend and indemnify Buyer against allegations of infringement of U.S. patents, U.S. trademarks, copyrights, trade dress and trade secrets as (hereinafter collectively referred to as the "Intellectual Property Rights") subject to the limitations and conditions set forth in this section. Seller will defend at its expense and will pay the cost of any settlement or damages awarded in any action brought against Buyer based on an allegation that an item sold to Buyer ("Item") infringes the Intellectual Property Rights of a third party. Seller's obligation to defend and indemnify Buyer is contingent on Buyer notifying Seller within ten (10) days after Buyer becomes aware of such allegations of infringement, and Seller having sole control over the defense of any

allegations or actions including all negotiations for settlement or compromise. If an Item is subject to a claim that it infringes the Intellectual Property Rights of a third party, Seller may, in its sole discretion, procure for Buyer the right to continue using the Item, replace or modify the Item so as to make it non-infringing, or offer to accept return of the Item and return the purchase price less a reasonable allowance for depreciation. Notwithstanding the foregoing, Seller shall have no liability for claims of infringement based on information provided by Buyer, or directed to Items for which the designs are specified in whole or in part by Buyer, or infringements resulting from the modification, combination or use in a system of the Items. The foregoing provisions of this section shall constitute Seller's sole and exclusive liability and Buyer's sole and exclusive remedy for infringement of Intellectual Property Rights. If a claim is based on information provided by Buyer or if the design for an Item is specified in whole or in part by Buyer, Buyer shall defend and indemnify Seller for all costs, expenses or judgments resulting from any claim that such Item infringes any patent, trademark, copyright, trade dress, trade secret or any similar right.

10. PROPERTY RIGHTS

Buyer shall have no right in any technical data, intellectual property rights related to the Goods and Software. In the event Seller agrees to provide Buyer with proprietary information, drawings, designs or data in conjunction with this order, Buyer agrees that such information, drawings or data will not be disclosed to a third party, or used by Buyer, without the written permission of an authorized official of Seller.

11. RIGHT TO GOODS; DEFAULT; INSOLVENCY

If Buyer becomes insolvent or if Buyer is in default for any reason under the terms of this or any other agreement between Buyer and Seller, Seller shall be entitled, at Seller's option, to discontinue further performance, to withhold shipments, in whole or in part, and/or to recall Goods in transit, retake same, and reposes all Goods which may be stored with Seller for Buyer's account, without the necessity of taking any other proceedings. Buyer consents that all Goods so withheld, recalled, retaken or repossessed shall become Seller's absolute property, provided that Buyer is given full credit. The foregoing shall not be construed as limiting, in any manner, any rights or remedies available to Seller under contract, at law or equity.

12. NON-WAIVER BY SELLER

Waiver by Seller of a breach of any of the Terms shall not be construed as a waiver of any other breach. Any failure at any time of Seller to enforce any provision of these Terms and Conditions shall not constitute a waiver of such provisions or

prejudice Seller's right to enforce such provisions at any time. Should any provision of these Terms and Conditions be or become void or not enforceable by force or operation of law, all other provisions shall remain valid and enforceable.

13. ASSIGNMENT

Buyer shall not assign, subcontract, or otherwise transfer this Agreement, in whole or in part, without the prior written consent of Seller, and any such assignment, subcontract, or transfer without Seller's prior written consent shall be void.

14. CHANGES

Changes in whole or in part of the order can be made only with Seller's consent and upon terms that will permit an equitable adjustment to be made in both the price and schedule of the Goods and Services to be delivered. Changes will be recognized and implemented only when communicated to Seller by Buyer's authorized representative, in writing.

15. TERMINATION

Termination of the order in whole or in part can be made only with Seller's prior written consent and upon terms that will indemnify Seller against loss and afford an equitable profit.

16. RESERVATION OF RIGHTS

Seller reserves the right to make subsequent improvements and changes in the design of Goods and Software without imposing any obligation to make such changes or improvements upon Goods sold to Buyer.

17. INSPECTION AND ACCEPTANCE OF GOODS

Final inspection and acceptance of Goods, Services or Software shall be made by Buyer within fourteen (14) days of receipt of the same at Buyer's facility, except in the case where Buyer's source inspector or authorized representative inspects the Goods at Seller's facility. Failure of Buyer to inspect and reject in writing, the Goods, Services or Software within the above time period (where source inspection is not applicable) shall be deemed to mean acceptance has occurred.

18. GOVERNING LAW; LIMITATION ON ACTIONS

This order shall be governed and construed in accordance with the laws of Sweden. No actions arising out of the sale of Goods, licensing of the Software or the providing of Services, other than an action by Seller to recover the purchase price of such Goods, may be brought more than one (1) year from the date that the cause of action arose.

Disputes arising out of or relating to the Agreement shall be finally settled by arbitration in accordance with the rules of the Arbitration Institute of the Stockholm Chamber of Commerce applicable at the time arbitration is called for. The arbitration proceedings shall be held in Gothenburg, Sweden. If both Parties are not domiciled in Sweden, the arbitration proceedings shall be conducted in English.

19. UNCISG

With respect to transactions to which the 1980 United Nations Convention for the International Sale of Goods (UNCISG) would otherwise apply and notwithstanding the venue to which the parties to a particular order may have agreed for dispute resolution, the rights and obligations of the Parties hereto including these Terms and Conditions shall not be governed by the provisions of the UNCISG.

20. OWNERSHIP RIGHTS

All Software licensed or provided to the Buyer under the Agreement are being licensed or provided on a strictly confidential and limited use basis. Ownership to, and all rights, titles and interests in, all Software and all related patents, copyrights, trademarks, trade secrets, intellectual property rights and other ownership rights shall remain exclusively with Seller. The licenses granted hereunder are not agreements of sale, and no ownership or title, patent, copyright, trademark, trade secret, intellectual property or other ownership rights to any such Software are transferred to the Buyer or its customers by virtue of the Agreement. All copies of the Software in the Buyer's possession shall remain the exclusive property of Seller. Buyer shall cause each of its customers to agree in writing to the terms of Seller's End User License Agreement (EULA) for the Software substantially in accordance with the terms provided to Buyer by Seller. Buyer shall indemnify and hold harmless from the breach of such EULA by Buyer's customers.

21. EXPORT LAWS

Buyer understands and agrees that the export or re-export of the Goods and Software and any related technical data related thereto may be covered by export control laws of Sweden. Buyer agrees that it will not export or re-export the Goods and Software and any related technical data related thereto without complying with all applicable export or foreign control laws and regulations of Sweden.

Buyer acknowledges that the Goods and Software and any related technical data related thereto is or may be subject to United States or foreign export control laws and regulations, and agrees that it will not transfer, export or re-export the Goods, Software or any technical data, including without limitation any documentation, or information that

incorporates, is derived from or otherwise reveals such, without complying with all applicable U.S. export or foreign control laws and regulations.

Specifically, Buyer agrees that it will not export or re-export any Goods, Software or Technical Data related thereto (1) into any countries embargoed by the United States; (2) to anyone on the United States Treasury Department List of Specially Designated Nations; or (3) anyone on the United States Department of Commerce Denied Persons List or Entity List.

22. ENTIRE AGREEMENT

The Proposal and these Terms and any modifications thereto, constitute the entire agreement between the parties and supersede any and all previous representations, understandings, discussions or agreements, oral or written, between Buyer and Seller. This Agreement may only be amended by an instrument in writing signed by both parties.