

Brother Gearmotor
Standard Terms and Conditions of Sale

These Standard Terms and Conditions of Sale shall be incorporated into any contract between Purchaser and Brother International Corporation (hereafter Brother) and shall apply to all purchase orders issued by Purchaser. Purchases made by authorized distributors or resellers (who shall also be deemed "Purchasers" under these terms and conditions) will also be subject to these terms and conditions. Unless specifically provided herein or in a separate written agreement duly executed by Brother, the quotation and this form constitute the entire agreement between Brother and Purchaser, and no other terms or conditions oral or written shall be of any effect. All orders, whether placed pursuant to a quotation or not, are accepted only upon the express condition that Purchaser agrees to the Terms and Conditions as specified herein.

Price and Delivery Terms

Price and delivery terms are F.C.A. Brother's nearest U.S facility and do not include sales, use, excise or any other taxes. Our responsibility ceases when delivery is made to the transportation company and any claims for loss or damage in transit must be handled by the purchaser with the carrier.

Packing

No charge is made for standard boxing for domestic shipments. Purchaser will be quoted and charged separately for export or special packing or labeling requirements.

Payment Terms

To purchasers with a credit standing satisfactory to Brother, terms of payment are cash in full, net 30 days. If at any time Brother deems that by reason of financial condition of the Purchaser or otherwise, the continuance of production or shipments is not justified, Brother may revoke its extension of Credit, enforce any security interest(s) created hereby on all goods furnished by Brother to the Purchaser and otherwise secure itself as to purchaser's performance of its obligation. Any overdue amounts owed by Purchaser will be subject to interest at a rate of 1.5% or the maximum amount permitted by law, whichever is less.

Cancellation

Changes, suspension or cancellation of any order by Purchaser may be made only upon written approval of an authorized officer of Brother. Unauthorized suspension or delayed acceptance of purchaser orders may subject Purchaser to a storage fee of up to US\$2 per unit per month.

Blanket Orders

Brother may, from time to time, offer Purchaser the right to purchase a fixed quantity of Product with multiple delivery dates ("Blanket Order"). Under such arrangement, Brother holds a specific quantity of Product in its stock on behalf of Purchaser so as to provide Purchaser with flexibility to purchase installments of the Product on an as-needed basis. Purchaser should request deliveries of Product subject to a Blanket Order by providing Brother with firm release dates over a twelve (12) month period (each, a "Release"). When possible, Purchaser should provide Brother with a forecast of such firm release dates in advance so as to enable Brother to deliver related Product as promptly as possible upon Release. Purchaser's payment obligations shall be triggered by Brother's delivery of Products to Purchaser pursuant to each Release. Unless otherwise agreed to by Brother in writing, upon expiration of the twelve month period commencing on the effective date of each Blanket Order, Brother shall immediately ship and invoice for any remaining Product that has not been delivered to Purchaser, and Purchaser shall accept and pay for such Product pursuant to the terms herein.

Limited Warranty

See Brother Gearmotor Limited Warranty. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THE BROTHER GEARMOTOR LIMITED WARRANTY DOCUMENT, PRODUCTS ARE SOLD "AS IS" AND BROTHER MAKES NO WARRANTY WHATSOEVER, EXPRESS OR IMPLIED, WITH RESPECT TO THE PRODUCTS, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR WARRANTY FOR A PARTICULAR PURPOSE, OR ANY OTHER WARRANTY EXPRESS OR

IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

Returns and Custom Products

No products will be accepted for return unless authorized in writing with a returned merchandise authorization (RMA) number assigned. In such event, Brother reserves the right to charge a restocking/cancellation fee equal to up to fifty percent (50%) of the value of the cancelled portion of the order. Any returned goods must be returned with transportation charges prepaid and shipped to Brother specified locations.

Brother may offer products manufactured or assembled to Purchasers specifications ("Custom Product(s)"). Unless otherwise agreed to by Brother in writing, all Custom Products are sold on a "FINAL SALE" basis only, and no cancellations, returns, refunds or credits are allowed.

Proprietary Custom Products

Purchaser hereby agrees that these Terms and Conditions shall not apply to any Custom Products containing specifications that are proprietary to Customer ("Proprietary Products"). Should Customer wish that Brother manufacture Proprietary Products on its behalf, Brother will ask Customer to sign a Proprietary Customization Agreement, which will further detail the rights and obligations of the parties under such arrangement.

Force Majeure

Brother will not be liable for any loss, damage or delay arising out of its failure (or that of its subcontractors) to perform hereunder due to causes beyond its reasonable control, including without limitation, acts of God, acts or omissions of Purchasers, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine restrictions, war, riots, acts of terrorism, delays in transportation, or transportation embargoes. In the event of such delay, Brother's performance date(s) will be extended for such length of time as may be reasonably necessary to compensate for the delay.

Regulatory Laws and/or Standards

It is the Purchaser's obligation to install and operate all Products in conformance with all applicable national or local laws and safety codes.

Patents and Trademarks

Brother represents that the Products are designed and manufactured such that they do not infringe on any United States patent(s), and that Brother will, at its expense, defend any claim charging such infringement and will save Purchaser harmless from any adverse judgments resulting there from. Purchaser agrees to give Brother, prompt written notice of any claim of infringement and to turn over to Brother the complete control of any litigation involving such claims including the right to settle such claims.

Additional Terms and Conditions Applicable to Purchasers Who Resell and/or Distribute Products purchased hereunder

If Purchaser resells or otherwise distributes the Products and makes any express or implied warranties or claims that differ from those made directly by Brother, Purchaser shall assume full responsibility for any resulting third party claim resulting therefrom and shall indemnify, defend, and hold harmless Brother, and its affiliates, successors, assigns, officers, directors, employees and agents from any resulting liability, loss, damage, claim, lien, judgment, and cost, including but not limited to reasonable attorneys' fees and other litigation expenses. Notwithstanding the foregoing, all advertisements and promotional materials applicable to the Products or including any trademarks owned or otherwise pertaining to Brother or its affiliates shall be subject to prior written approval of Brother.

Purchaser shall at all times comply with all applicable laws and regulations in connection with any resale or distribution of products hereunder. In particular, Purchaser shall (a) comply with good business practices and all laws and regulations relevant to its purchase, use and/or resale of the Products and (b)

maintain all necessary governmental and other permits, licenses, registrations and approvals that are necessary or advisable for Purchaser to resell or otherwise distribute the Products purchased hereunder.

Law

These Standard Terms and Conditions of Sale shall be interpreted in accordance with the laws of the State of New Jersey.

Severability

If any of the terms and conditions shown here are determined to be invalid, illegal or unenforceable, the remainder of these terms and conditions shall remain in full force and effect. Nothing in these Terms and Conditions shall impose, limit, or exclude any right or obligation to the extent that it is not permitted to impose, limit, or exclude any such right or obligation under applicable law

General Provisions Brother may amend these Terms and Conditions at any time for any reason. Any such amendment will not apply to any outstanding orders already accepted at the time of the amendment.