

People for Process Automation

GENERAL TERMS AND CONDITIONS OF SALES ENDRESS+HAUSER JAPAN CO., LTD. ("GTC")

1 SALES TERMS

The sales terms under which the Company sells and the Customer buys the product and the contractual service described in the quotation (hereinafter referred to as the "Transaction") shall be, unless otherwise agreed in writing, the terms and conditions provided in this order. In addition to these GTC, special terms may apply if agreed upon in writing (as e.g. special terms for software or special services). We may amend these GTC at any time with effect for the future. The valid issue of the GTC is always published on our homepage (see: www.jp.endress.com).

The Customer's terms and conditions of business are valid only to the extent that the Company and the Customer agree in writing.

Notifications by fax or e-mail qualify as written form under these GTC.

2 Price

The price of the Product shall be valid before the effective period of the quotation expires.

3 Delivery

Delivery means for the Company to give possession of the Product to the Customer or the party nominated by the Customer, or, where the Company installs the Product, for the Company to complete the installation.

4 INSPECTION

- 1. The Customer shall complete inspection of the Product within seven business days from the Delivery thereof, and notify the result thereof to the Company in writing.
- 2. If the Customer does not provide written notice described in the preceding paragraph to the Company, the Product shall be deemed to have passed the inspection and been accepted.
- 3. The inspection of the Product (hereinafter referred to as the "Inspection") shall be completed at the time of passing of the inspection described in the preceding paragraph.
- 3. If the Product is rejected during the inspection, the Company shall perform Subsequent Completion specified in the Article 7.1.(i) in accordance with the Customer's request. (second sentence of the Article 562-1 of the Civil Code shall apply mutatis mutandis). Provided, however, that the foregoing shall not apply if the failure to pass the inspection was caused by reasons attributable to the Customer.

5 Transfer of Ownership

Ownership title to the Product shall transfer from the Company to the Customer upon the time of completion of the Inspection, and risk of loss, damage, etc. thereof shall transfer from the Company to the Customer upon the time of Delivery of the Product.

6 PAYMENT

- 1. The Customer shall, unless otherwise agreed between the parties, pay the effective purchase price indicated in the quotation to the Company in cash, closing every month, by way of bank transfer to the bank account separately designated by the Company by the end of the following month. Any fee for the bank transfer shall be borne by the Customer.
- 2. In case the Customer fails to pay the purchase price of the Product in accordance with the preceding paragraph, the Customer shall pay to the Company late penalty calculated at the annual rate of 14.6% (on a per diem basis) from the day following the payment due date until the full payment is completed,

7 LIABILITY

- 1. In case the Product does not conform to the content of the transaction with regards to its type, quality or quantity, and if such conformity could not have been found immediately at the time of inspection, the Customer may take the following actions for the period specified in the Article 8 below. Provided, however, that the action described in item (iii) below can only be taken when the non-conformity is material, and that each action shall not be taken when the non-conformity is due to reasons not attributable to the Company
 - request for repair of the Product, delivery of replacement product, delivery of supplement product (hereinafter collectively referred to as "Subsequent Completion");
 - (ii) demand compensation of damage incurred by the Customer as the result of non-conformity (the scope of damage shall be limited to direct and ordinary damage, excluding loss of profit, opportunity, and indirect damage, and the damages shall be capped at the price of the Product.
- (iii) termination of the Transaction.
- 2. Article 563 of the Civil Code shall not be applicable.

8 CONDITION FOR WARRANTY

- 1. The warranty period of the Product shall expire on the day when eighteen months have passed from the Delivery or twelve months from the installation (startup) thereof, whichever comes earlier.
- 2. The warranty period of new parts shall expire in twelve months from the Delivery thereof by the Company.
- 3. The warranty period for repair and service shall expire in six months from the completion of repair or service.
- 4. Calibration shall be intended to confirm precision of equipment at the time of the calibration

but not to guarantee the normal operation of the equipment.

- 5. Non-adaptability, failure or defect etc. due to a fault not attributable to the Company shall not be covered by the warranty.
- 6. The Company shall not warrant anything unless otherwise expressly provided or separately agreed in writing.

9 DAMAGES

Damages liable by the Company to the Customer in relation to the Transaction shall be limited to direct and actual damages regardless of cause and ground; shall not include lost profit, consequential damages, etc.; and shall not exceed the sales price of the Product (including installation expenses).

10 NON-ASSIGNMENT OF RIGHTS AND OBLIGATIONS

- 1. Neither party may assign or offer for security interest to a third party, any and all rights or obligations under the Transaction, in whole or in part, without written consent of the other party.
- 2. Notwithstanding the preceding paragraph, with regards to the rights accrued as the result of the Transaction, transfer thereof shall not constitute breach of the preceding paragraph if a party notifies the existence and content of the restriction described in the preceding paragraph in writing to a third party prior to the transfer, and issues a certified copy of such document to the other party.
- 3. If either party transfers any of rights and obligations accrued as the result of the Transaction in breach of the paragraph 1 above, such breaching party must immediately pay to the other party the price of the Product as penalty.

11 TERMINATION

The Company and the Customer may terminate the Transaction without having to make any demand to the other party, if the other party falls under any of the following items, regardless of whether or not there is any reason attributable to the other party:

- If the Customer fails to pay all or part of the price within 30 business days after the passing of the payment due date;
- (ii) If the other party transfers any rights or obligations accrued as the result of the Transaction, in breach of Article 9.1 above; or
- (iii) If the other party fails to perform any of the obligations under this Agreement, or if there is any reason which makes it difficult to continue of this Agreement.

12 FORCE MAJEURE

The Company shall not be liable for impossibility, delay, etc. of performance caused by an earth-quake, typhoon, floods or any other natural disaster; terrorism, war, fire, strike, contagious disease or any other man-made disaster; enactment and enforcement of a law, order or regulation by the government or any other acts of the government; or any other event not controllable by the Company.

13 COMPLIANCE

13.1 ANT-BRIBERY AND ANTI-CORRUPTION

We comply with all applicable laws and regulations relating to anti-bribery and anti-corruption. The Customer shall comply with such laws and regulations as well and undertake all necessary actions to do so.

13.2 IMPORT AND EXPORT CONTROL REGULATIONS We comply with all applicable laws and regulations relating to import and export control. The Customer shall comply with such laws and regulations as well and undertake all necessary actions to do so.

13.3 INDEMNIFICATION

The Customer shall indemnify and hold us harmless against all damages, costs and expenses arising from any violation, alleged violation, or failure to comply with above mentioned laws and regulations by the Customer or any person for whom the Customer may be responsible.

14 DATA PRIVACY

The Company and the Customer shall comply with the obligations of the personal information handling business operator set forth in the Act on the Protection of Personal Information as well as any other relevant laws and regulations and any guideline, and implement personal information safety control measures to prevent any leakage of personal information.

15 CONFIDENTIALITY

The Company and the Customer may not disclose any and all business information disclosed in the course of the Transaction to any third party, regardless of the method of disclosure, without the prior written consent of the other party, during the term of the Transaction and for three years after the completion of the Transaction. Provided, however, that the foregoing shall not apply to the following information;

- (i) Any information that can be proved to have been possessed by the disclosing party prior to the Transaction;
- (ii) Any information that have become public prior to the Transaction, or any information that can be proved to become public in the future without any fault of the Company or the Customer;
- (iii) Any information that have been disclosed by a third party who has legitimate right without being bound to any confidentiality obligation;
- (iv) Any information that will be disclosed in response to the order by competent public office, court or any laws and regulations.

16 ELIMINATION OF ANTI-SOCIAL FORCE

1. The Customer and the Company may terminate all or part of the Transaction without having to make any demand if the other party falls under any of the following items below, notwithstanding any other terms and conditions herein, and



People for Process Automation

any and all obligation owed by the terminated party against the terminating party shall become immediately due and payable.

- (i) If it is recognized as being or having been in the past an organized crime group, an organized crime group member, an associated company or group of an organized crime group or any other anti-social forces (hereinafter collectively referred to as "Anti-Social Forces");
- (ii) If, by itself or through using a third party, engages in the following behavior; using fraudulent means or violent act, or engaging in threatening behavior;
- (iii) Telling that it is an Anti-Social Force or any associated company or group is member is an Anti-Social force;
- (iv) Transferring or offering as pledge collateral any rights or obligations accruing from the Transaction to any Anti-Social Force;
- (v) If, by itself or through using a third party, damages the reputation or credibility of the other party or conducts any act that may result in such damage; or
- (vi) If, by itself or through using a third party, interfering the business of the other party, or conducts any act that may result in such interference.
- 2. In the event the Company or the Customer terminates the Transaction based on the items described above, such terminating party shall not be responsible for compensation of any damage incurred by the terminated party.

17 RESALE; RIGHTS TO THE DOCUMENTS

The Customer shall resell the Goods only together with the original documentation.

We and/or our licensor retain all proprietary and intellectual property rights to documents, drawings, models, quotations, electronic data, and similar items (hereinafter collectively referred to as "Documents") we provide the Customer in connection with the delivery of Goods or Services. These Documents must not be made available to third parties unless such permission is evident based on the particular purpose of the contract between us and the Customer.

18 DECONTAMINATION/CLEANING OF RETURNED GOODS

We may only accept returned Goods if our decontamination and/or cleaning instructions are strictly complied with. In default of such compliance we reserve the right to resend the Goods at the Customer's expense. Fee required for return shall be borne by the Customer.

19 GOVERNING LAW AND JURISDICTION

Japanese law shall apply. The Tokyo District Court shall have the exclusive jurisdiction for the first instance over disputes in relation to the rights and obligations under the Transaction.

20 ORIGINAL LANGUAGE/TRANSLATION

This is an English translation of the original document in Japanese language. In case of any discrepancies between the Japanese and the English versions, the Japanese version shall prevail.