

CONDITIONS OF SALE:

1) Definitions

"The Company" means FESTO INC.

"Order" means an order placed with the company for the supply of goods. "Customer" means the person, firm or company from whom an Order is received. "Goods" means the articles, items or things or any of them described in an Order. "Contract" means the contract constituted by any Order and its acceptance.

2) Orders, Acceptance, and Contracts

- (i) All Order, Acceptances and Contracts are subject to these Conditions and nothing is to vary or override them unless agreed to in writing signed on the Company's behalf. All other conditions and warranties whether expressed or implied by law or trade user are excluded. By placing the order and accepting the goods supplied by us, the Customer confirms its agreement with the Company's Conditions.
- (ii) In particular no terms or condition in any order given by any Customer which is inconsistent with these Conditions will apply.
- (iii) All brochures, catalogues, manuals and other like material are issued by way of general description only and nothing contained therein nor any representation of whatever kind shall be binding upon the Company.

3) Orders

- (i) Orders may be either by direct order at the prices stated in the Company's current price list or on the basis of a quotation given by the Company.
- (ii) Prices stated in the Company's current price list are exclusive of the cost of packing and carriage. Small orders are subject to a minimum charge.
- (iii) All orders are made subject to these Conditions of Sale.
- (iv) All prices and Quotations are tendered without commitment and are subject to withdrawal or variation at any time prior to an Order being accepted by the Company. The Company reserves the right change the prices valid at the date of dispatch. The Company's written order confirmations form the contractual basis and are decisive for the scope of the delivery. This also applies if Customer has requested an actual quotation to be submitted. Orders placed by Customer are binding for the latter and are deemed to be accepted upon presentation of the order confirmation by the Company. For catalogue components, this is deemed to be on time if presented together with the invoice and delivery. In case of quotations with a time limit and a certain acceptance period, the quotation is decisive if no order confirmation is submitted on time. The Company reserves the right to make design changes and other changes to technical data and performance characteristics if they are in the interests of technical progress. The Company will also announce such changes, as well as product discontinuations, in the pneumatics catalogue on the Company website (www.festo.com) with a reasonable notice period.
- (v) All quotations are made on the understanding that the whole of the quantity quoted for will be ordered; otherwise the Company reserves the right to revise the quotation.
- (vi) If the Company provides documents (e.g. manuals) for certain products, these are available to Customer as a free download on our website www.festo.com. The Company can provide Customer with printed versions of such documents for a charge as a separate order.

4) Conclusion of contracts in Festo online shops

The goods and services offered in the Company's online shops do not represent an offer to conclude a contract; they are merely an invitation to submit an order. Upon

submitting an order, the Customer issues the Company an offer to conclude a purchase contract. Through the Company's online shops, the Company only accept orders for deliveries to the Philippines. Orders that are to be delivered to a different country must be directed to the local sales company in the country concerned. The language of the contract is English. The Customer may view the content of his or her order any time, by visiting the order history in his or her account in the Festo online shop. The full text of the contract is stored by the Company, but cannot be accessed by the Customer. The Customer receives an order confirmation after his or her order has been received. This is for informational purposes only; it does not constitute acceptance of the order. The order does not become binding on the Company until a written or electronic order confirmation is issued or the goods are dispatched. In cases where software is being purchased via the App World, a contract comes about when the app is provided for the Customer's use. If an order confirmation has been issued but contains obvious spelling errors, calculation errors or other errors, it is not binding for the Company.

5) Use of Software

Unless otherwise agreed for a specific product, the Customer shall, in return for a fee, obtain for any type of Festo software including associated documentation a non-exclusive, non-transferable and time-unlimited right of use to a certain hardware product respectively one which may be determined in individual cases, if necessary after agreeing a separate End-user License Agreement. This software may be used on a particular or individually determined hardware product. Festo shall remain the owner of the copyright and all other industrial patent rights. The right to make copies is only provided for the purpose of data backup. Copyright marks must not be removed.

Festo shall supply installation and commissioning instructions containing relevant safety instructions for its software in printed form. All other documentation shall be supplied only in digital form with online help. When new software releases are supplied, the corresponding online documentation may also be sent. The transfer of software to third parties requires Festo's express written consent in any case. In the event the software is provided for the purpose of resale, the third party must agree to these conditions prior to the sale.

Modifications are not permissible. In the event of a violation of these conditions, for each violation the purchaser shall pay a contractual penalty amounting to ten times the order value. This contractual penalty shall be set off against any claims for compensation. The software and associated documentation must be returned immediately or- if such a return is not possible- the Customer shall confirm the deletion of all copies, on request. The conditions described above do not apply to exclusive Customer-specific software developed on the basis of specifications provided by the Customer. The Customer-specific software is developed and customized by Festo as part of a contractually produced control system making use of modular software modules (standard software modules) put together by Festo that are suitable for a wide range of applications and adapted to the contractual performance requirements. The above conditions shall also not apply to customized training software. Upon full payment of the purchase price of the customized application program, FESTO shall transfer the non-exclusive, spatially unlimited and perpetual rights of utilization to the Customer, without the Customer having any lawful entitlement to the individual basic standard software modules forming the basis of the customized version.

Festo remains entitled, irrespective of these conditions, to use the basis of this development to create and offer similar software solutions customized for applications required by other customers. Festo shall retain basic utilization rights to the customized solution.

6) Warranty and limitation of liability

- (i) Every effort is made to utilize sound material and good workmanship, but the Company gives no warranty expressed or implied of as to the materials,

- workmanship, fitness of goods for any particular purpose, whether such purpose be known to the Company or not.
- (ii) FESTO will not provide warranty for third party items (Non-FESTO Products) included in the Company's transactions or sales, neither will it be held accountable for any damages incurred due to defects of these third-party items. All warranty of third-party items is covered by the respective brand manufacturers, principals or distributors.
 - (iii) Where materials or workmanship of FESTO Products is proved defective, as confirmed by the Company, the goods will nevertheless be repaired or replaced free of charge (at the option of the Company) provided that the Company has been notified in writing of the defects with the following time limits.
 - (a) where the Goods are used in single-shift operations, within six (6) calendar months of the date of delivery.
 - (b) where the Goods are used in multi-shift operations, within three (3) calendar months of delivery.
 - (iv) Where the Company replaces any parts, the replaced parts become the property of the Company.
 - (v) The Company shall assume no liability for losses or damages incurred as a result of:
 - (a) Inappropriate or improper use or storage prior to commencement of operations;
 - (b) Incorrect assembly or repairs by the Customer or third parties;
 - (c) Natural wear and tear, incorrect or careless treatment, unsuitable operation techniques;
 - (d) Unqualified construction work;
 - (e) Factors of a chemical, electrochemical or electrical nature beyond the Company's Control;
 - (f) Obvious mistakes, print, calculation, typing and costing errors; and
 - (g) Circumstances analogous to the above.
 - (vi) The Company shall not be liable for defects when the Customer fails to provide the Company with sufficient time and the opportunity to carry out improvements which the Company considers necessary and/or to arrange for a substitute delivery.
 - (vii) In urgent case involving risks for operational reliability and to preclude major damage, the Customer shall be authorized to repair such damage himself or have it repaired by a third party and to claim reimbursement of the expenses involved therein. Such intention must be notified to and agreed to by the Company.
 - (viii) The Company's liability in respect of or consequent upon any such defects (whether in original or replacement goods) is limited as above mentioned and in no circumstances whatsoever will the Company be liable for loss of profit or other consequential damage howsoever caused.

7) Delivery and carriage charges

- (i) The Company does not give any warranty as to rate or time of delivery and no mention of a rate or time of delivery in any Order, quotation or Acceptance is binding on the Company.
- (ii) The Company does not accept responsibility for loss of package, damage, wrong delivery, discrepancies or short shipments unless a written complaint is made to the Company within seven (7) days of receiving the consignment and unless the Company is given an opportunity of inspection.
- (iii) The Company does not accept responsibility for loss of a whole consignment or any separate package forming part of the consignment unless a written complaint is made to the Company within fourteen (14) days of the date of the invoice relating to such consignment.
- (iv) Unless delivery in one consignment is specifically requested, goods will be dispatched as they become available, and each part delivery will be treated as separate contract and invoiced separately, at the sole and exclusive option of the Company.

8) Title and Risk

The goods shall be at the risk of the Customer from the time of delivery. However, the Company shall remain the owners of the goods forming the subject of each delivery until such time as all payments referring to that delivery have been completed. The Customer shall neither sell, pledge, assign nor in any way part with possession of the goods forming the subject of any delivery until such time as the Company has received payment thereof.

9) Payment

- (i) Payment of the price shall be made within thirty (30) days from the date of invoice unless the Company has agreed in writing to a variation of the terms. Notwithstanding that delivery of the goods or materials may be prevented or delayed by the Customer, payment shall be made by the due date of all sums payable under the Order as if there had been no such prevention or delay.
- (ii) The Company reserves the right to assess legal interest, in accordance with the Civil Code of the Philippines, on any invoice remaining unpaid for more than thirty (30) days from the invoice date. If the Company has agreed in writing to grant the Customer more than a 30-day payment period, interest will be charged as stated above on the first day the extended payment terms are exceeded.
- (iii) If the Customer defaults making payment on the due date of any sum due to the Company on any account, the Company may suspend deliveries (in which event the Customer will be liable for any damage loss or expense which the Company may thereby suffer) and if such default continues for seven (7) days after written notice of the Company's intention to invoke the provisions of this Condition, the Company may terminate the contract.
- (iv) If the Customer commits an act of bankruptcy or goes into liquidation (otherwise than a voluntary liquidation for the purposes of reconstruction) or has a Receiver appointed, the Company may suspend deliveries and/or terminate the contract.
- (v) In the event of termination of the contract for any reason, the Customer will be liable to pay forthwith for all work done and materials supplied and may also be liable in damages as for wrongful termination.
- (vi) If goods are returned through no fault of the Company, the Company reserves the right to impose a handling charge.

10) Copyright, Patents, etc.

- (i) The Company retains copyrights, patents and right of legal protection of registered designs in any and all of its drawings, diagrams, documents and equipment, drawings, papers, etc, appended to quotations, or forwarded to the Customer and the parties agree that these are for the Customer's personal use and reference only. The Customer cannot make copies (including extracts) nor make accessible to third parties without the Company's express written consent. No transfer of any Intellectual Property shall occur in any case.
- (ii) The documentation attached to the request for quotation or purchase order, such as drawings, specifications, materials, samples, tools, models and the like, which are passed onto the Company, remains the property of Customer. These shall only be used by the Company for the preparation and composition of the quotation by the Company. The Customer must point out any subsequent change to the first request for quotation and the quotation by the Company in writing when placing purchase orders. If the Company attaches similar documentation of the type previously mentioned to its quotations, this is and remains the property of the Company. The Customer undertakes not to use this documentation for purposes beyond the scope of the contract, reproduce it or otherwise make it accessible to third parties.

11) General

- (i) The Company will not be responsible for any failure to fulfill any term of this contract if fulfilment has been delayed, hindered or prevented by any circumstances whatsoever which is not within the Company's control including strikes, lockouts, fire, explosion, any curtailment, failure or cessation of public utilities or services or of supply of the products from any of the Company's existing suppliers of any national, local port, transportation or other authority or any entity or person purporting to be or act for such authority. The Customer, after notifying the Company, shall be free to purchase from other suppliers any deficiency caused by the operation of this Condition.
- (ii) All contracts entered into by the Company shall be governed by Philippine Law and the Customer and the Company hereby submit to the exclusive jurisdiction of the appropriate courts in the City of Paranaque, Metro Manila.

12) Health and Safety at Work

The Company warrants to the Customer that:

- (i) It has carried out, arranged for the carrying out of, or relied upon the results of the carrying out by others of, such tests, examinations and research as are necessary for the purposes of discovering and so far as is reasonably practicable elimination or minimizing any risks to safety or health to which any equipment that may be supplied by the Company ("the Equipment") may give rise, and that so far as is reasonably practicable such Equipment is so designed and constructed as to be safe and without risks to health when properly used;
- (ii) In so far as the Company is obliged hereunder to erect or install the Equipment in premises wherein it will be used at work, the Company will so far as is reasonably practicable, ensure that nothing about the way in which the Equipment is erected or installed will make it unsafe or a risk to health when properly used;
- (iii) The Company will provide to the Customer, free of further charge, adequate information:
 - (a) concerning the uses for which the Equipment has been designed and tested, and
 - (b) concerning any requisites, precautions or conditions, whether general or arising from particular circumstances of the intended user of the Equipment known to the Company, which are necessary to ensure that when put to the uses for which it was designed and tested the Equipment will be safe and risks to health:
PROVIDED ALWAYS
 - (1) That the Equipment shall not be taken to have been properly used unless used with regard to such relevant information and advice relating to its use shall already or hereafter have been made available to the Customer by the Company; and
 - (2) That the obligations of the Company hereunder shall be reduced and discharged to the extent that the Customer shall have undertaken in writing before the contract date to take specified steps sufficient to ensure so far as is reasonably practicable that the Equipment will be safe and without risk to health when properly used; and
 - (3) That the Company shall under no obligation hereunder save in respect of matters within the control of the Company.

13) Compliance

The Customer represents, confirms and certifies that it has read and understood FESTO Code of Conduct (code of conduct) and has instructed its managers and employees to comply with it. To ensure this good conduct, the Customer undertakes to take all necessary measures to prevent unlawful practices, especially to the detriment of the Company. In this respect, the Customer shall take those organizational precautions

within its company to be able to monitor compliance with the code of conduct by its employees, particularly those that are necessary to prevent corruption and other criminal offences.

14) Confidentiality

The Customer is obliged to treat all information, knowledge and other industrial secrets in connection with the execution of the respective order in strict confidence and not to pass on or make available any information, documents, documentation, drawings, sketches or other papers to third parties without the express permission of the Company, or otherwise provided for under applicable law. The Company shall also treat all Customer documentation in confidence.