

**FANUC America Corporation – FANUC CNC
General Terms and Conditions of Sale (10/26/15 Rev B)**

1 - GENERAL - This Contract ("Contract") constitutes the entire agreement between FANUC America Corporation – FANUC CNC ("FAC") and Customer relating to the provision of products or services, including parts (collectively, the "Deliverable(s)") supplied by FAC and/or FAC's parent or related companies (collectively, "FANUC"). This Contract supersedes all other correspondence, quotations or agreements relating to the subject matter hereof, and shall govern and apply to the supply of Deliverable(s) to Customer, regardless of any terms and conditions appearing on any purchase order or other forms submitted by Customer or the inconsistency of any terms therein and herein (which additional or inconsistent terms and conditions are expressly rejected). Signature or other authorization by Customer to furnish any Deliverable will constitute acceptance of these terms and conditions. Software and CNC option activation shall be provided pursuant to FAC's applicable software license or option activation agreement.

2 - PRICE AND PAYMENTS - Prices are those in effect at the time of order. Unless otherwise specified on the front page, all prices are F.O.B. FAC's Hoffman Estates, Illinois facility. Prices exclude freight, insurance, duties, handling charges and taxes. All additional charges will be invoiced as a separate charge to be paid for by Customer. Unless otherwise specified in writing by FAC, payment terms are net thirty (30) days from the date of FAC's invoice unless the Customer is on a COD basis. In the event of late payment, Customer shall be responsible for late charges calculated at the lower of one percent (1%) per month or the highest rate permitted by law. FAC may, at its option, refuse to provide any Deliverables to Customer if the financial condition of Customer becomes impaired or is unsatisfactory in the discretion of FAC, or if Customer is delinquent in the payment of any account to FAC.

*****TRAINING PRICING, PAYMENTS AND CANCELLATIONS** – *Customer must provide FAC - FANUC CNC seven(7) days' advanced written notice of training cancellation or full fee will be charged for all registered students. If less than 7 days' cancellation notice is provided to FAC - FANUC CNC, including on-site cancellation, then customer will be charged in full and attendance may be rescheduled within six (6) months of original scheduled date. Additionally any on-site expenses incurred by FAC - FANUC CNC due to cancellation will be charged to customer. FAC- FANUC CNC reserves the right to cancel any class at any time and is not responsible for non-refundable travel arrangements.*

3 - DELAYS AND FORCE MAJEURE - FAC's obligations are subject to, and FAC shall not be held responsible for, any delay or failure to perform due to circumstances beyond the reasonable control of FAC, including, but not limited to, acts of Customer, prerequisite work by others, natural disasters or acts of God, acts of war or terror, labor disturbances, delays in transportation, or inability or delay in obtaining suitable Deliverable(s). In the event of any such occurrence, FAC, at its option, shall be excused from performance hereunder or the performance of FAC shall be correspondingly extended. In the event FAC is delayed by acts or omissions of Customer or by prerequisite work by contractors or suppliers of Customer, FAC shall be entitled to an equitable price adjustment in addition to extension of the time of performance.

4 - TERMINATION - FAC may, in its sole discretion, terminate at any time all or any portion of this Contract upon written notice to Customer, with or without cause, including without limitation, in the event Customer shall (i) fail to pay any sums due to FAC under this Contract or otherwise; or (ii) otherwise breach this Contract or any other obligation owing to FAC. Customer may not terminate this Contract without the prior written consent of FAC. Within ten (10) days after the effective date of the termination of this Contract for any reason, Customer shall pay FAC the entire amount of any unpaid balance, which is due for this Contract or in connection with any and all Deliverable(s) provided by FAC hereunder. All Deliverable(s) provided after termination shall be billed at the regular rates of FAC.

5 - CHOICE OF LAW AND ARBITRATION - (a) This Contract and the relationship of the parties hereto shall be deemed to have been made in and governed by the laws of the State of Illinois, without regard to its choice-of-law provisions. The U.N. Convention on Contracts for the International Sale of Goods shall not apply to this Contract. All rights and remedies available to FAC under law, equity and herein are reserved to FAC as cumulative. Except as provided in subparagraph (b), all controversies or claims arising out of this Contract and/or the relationship of the parties shall be resolved exclusively by arbitration in Chicago, Illinois, such arbitration to be conducted in accordance with the Commercial Rules of the American Arbitration Association before a panel of three (3) arbitrators. The arbitration award is final and binding upon the parties to the arbitration and judgment thereon may be entered in any court having jurisdiction. (b) Notwithstanding the foregoing, FAC reserves the right to seek equitable, including injunctive relief, or sue to collect any unpaid account balance, in any court of competent jurisdiction. (c) Customer and FAC irrevocably submit to the jurisdiction and venue of the federal and state courts for Cook County, Illinois.

6 - DELIVERY/SCHEDULE - All delivery and service dates are estimates only and based upon the prompt receipt of all necessary information from Customer. Unless otherwise instructed, FAC will ship goods to Customer via regular United Parcel Service (UPS) delivery or similar carrier. Unless otherwise agreed in writing by FAC in a service contract or warranty, Customer is responsible for payment of delivery costs, including any costs for expedited delivery. Other portions of the Deliverables may be created or provided at Customer's facility. **In no event shall FAC be responsible or liable for any delays, including any special, incidental or consequential damages or "down time".**

7 - EXPORT AND USE RESTRICTIONS - If Customer intends to, or shall, export (or re-export), directly or indirectly, any portion of the Deliverable(s) or technical information relating thereto, it is the responsibility of Customer to assure compliance with United States and other export control laws and regulations and if appropriate, to secure any required export licenses or approvals in its own name. The Deliverable(s) to be provided hereunder are not intended for use in any weapons of mass destruction production (nuclear weapon, chemical weapon, biological weapon or missiles) or other activity where failure or use of the Deliverable(s) could lead directly to death, personal injury or severe physical or environmental damage. If so used, FAC (and its parent and affiliated companies) disclaim all liability for any damages arising as a result of the hazardous nature of the business in question, including but not limited to nuclear, chemical or environmental damage, injury or contamination.

8 - SALES AND SIMILAR TAXES - In addition to any price specified herein, Customer shall pay, or reimburse FAC for, the gross amount of any present or future sales, use, excise, income, value-added or other similar tax applicable to the price, sale, furnishing or use of any Deliverable(s) hereunder, or Customer shall provide FAC with sufficient evidence of tax exemption acceptable to the applicable taxing authorities. Customer is also responsible for all costs of importation, including without limitation tariffs, duties and the like.

9 - ACCEPTANCE, RETURNS AND EXCHANGE CREDITS - All orders for Deliverable(s) are subject to acceptance by FAC at Hoffman Estates, Illinois. Customer shall not return any Deliverable(s) actually delivered to Customer without the consent of and receipt of a Return Authorization Number from FAC. Items returned for credit (other than exchanges), are subject to a 20% restocking fee based on List Price. FAC will provide an exchange credit to Customers who return an exchangeable part that is replaced with a part purchased from FAC. Customers must return the exchangeable part within 30 days of receipt of the new part. Exchangeable parts include, but are not limited to PCB's, Amplifier Units and Motors and are identified by Return Authorizations forms included within the shipment of the new part. Acceptance of these parts and the amount of the exchange credit will be determined after each part is inspected and determined to be repairable by FAC. Any part that is not repairable will be returned/discarded at the Customer's expense. Motors must be completely assembled and include all parts for exchange credit. These exchange credits will be only applied as directed by Customer and will be valid for 12 months following issuance of the applicable Credit Memo.

10 - DISCLAIMER OF WARRANTY - EXCEPT AS OTHERWISE AGREED TO BY FAC IN WRITING, ALL DELIVERABLE(S) ARE PROVIDED ON AN "AS IS" BASIS ONLY, NOT SUBJECT TO ANY WARRANTY OR CONDITION WHATSOEVER INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, OR NON-INFRINGEMENT. FAC MAKES NO WARRANTY FOR THE SELECTION OR COMPATIBILITY OF ANY CNC, SERVO OR OTHER HARDWARE OR SOFTWARE. EXCEPT AS EXPRESSLY AGREED TO BY FAC IN WRITING, THIS DISCLAIMER OF WARRANTY SHALL SUPERSEDE ANY EQUIPMENT, PARTS OR SERVICE OR OTHER WARRANTY OF FANUC. THE MAXIMUM LIABILITY OF FAC WITH RESPECT TO ANY ASSERTION THAT ANY DELIVERABLE(S) ARE DEFECTIVE OR NON-CONFORMING, SHALL BE, AT FAC'S SOLE ELECTION, (1) REPAIR OR REPLACEMENT OF ANY PARTICULAR DELIVERABLE OR PROVISION OF SUPPORT SERVICES WITHIN NINETY (90) DAYS FOLLOWING FAC'S INITIAL PROVISION OF THE DELIVERABLES TO CUSTOMER, OR (2) RETURN OF THE CONTRACT PRICE PAID FOR THE PARTICULAR DELIVERABLE(S) PROVIDED UNDER THIS CONTRACT. FAC SHALL NOT BE RESPONSIBLE FOR ANY DELIVERABLE(S) WHICH HAVE BEEN SUBJECT TO ABUSE, MISUSE, IMPROPER INSTALLATION OR MAINTENANCE OR DELIVERABLE(S) WHICH HAVE BEEN TAMPERED WITH, ALTERED, MODIFIED, REPAIRED OR SERVICED BY ANY PARTY OTHER THAN FAC. IN NO EVENT MAY CUSTOMER ASSERT THAT THE REMEDIES PROVIDED HEREIN ARE INADEQUATE OR HAVE FAILED OF THEIR ESSENTIAL PURPOSE. CUSTOMER DISCLAIMS ANY RELIANCE UPON ANY WRITTEN OR VERBAL STATEMENT EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT.

11 - LIMITATION OF LIABILITY – IN NO EVENT SHALL FANUC BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, CLAIMS FOR LOSS OF REVENUE OR PROFITS, “DOWN TIME” OR BUSINESS INTERRUPTION, INCREASED COST OF OPERATION, DAMAGE TO EQUIPMENT OR PROPERTY, COST OF CAPITAL, COST TO SUBSTITUTE EQUIPMENT, FACILITIES OR SERVICES, CLAIMS OF CUSTOMER’S CUSTOMERS, OR DAMAGES OR PENALTIES RESULTING FROM CUSTOMER’S CONTRACTS WITH ITS CUSTOMERS, WHETHER ARISING OUT OF WARRANTY, CONTRACT, INDEMNITY, EQUITY, STRICT LIABILITY OR TORT, WHETHER OR NOT CAUSED BY THE NEGLIGENCE OR FAULT OF FANUC, AND REGARDLESS OF ANY OTHER LEGAL THEORY UPON WHICH THE CLAIM IS BASED AND REGARDLESS OF WHETHER FAC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. IN NO EVENT MAY CUSTOMER SEEK OR RECOVER PUNITIVE OR EXEMPLARY DAMAGES, NOR SHALL FANUC BE LIABLE FOR SUCH DAMAGES. NO CLAIM ARISING OUT OF ANY CLAIMED BREACH OR RELATING TO THE DELIVERABLE(S) MAY BE BROUGHT BY CUSTOMER MORE THAN ONE (1) YEAR AFTER THE DATE ON WHICH THE EVENTS GIVING RISE TO SUCH CLAIM OCCURS.

12 - INDEMNITY - CUSTOMER SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND FANUC AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (COLLECTIVELY, THE “FANUC INDEMNITEES”), FROM AND AGAINST ALL CLAIMS, LOSSES, DAMAGES, PENALTIES, INJURIES, AND COSTS, INCLUDING ATTORNEYS’ FEES AND LITIGATION COSTS, (COLLECTIVELY, “DAMAGES”), TO THE EXTENT ARISING FROM OR RELATED TO (1) THE ACTS OR OMISSIONS OF CUSTOMER OR ITS EMPLOYEES OR AGENTS, INCLUDING ANY ALLEGED OR ACTUAL NEGLIGENCE, RECKLESS OR INTENTIONAL ACTS OR OMISSIONS OR NONCOMPLIANCE WITH ANY OF THE TERMS OF THIS CONTRACT, INCLUDING ANY ALLEGED OR ACTUAL INJURIES TO PERSON OR PROPERTY, AND (2) ALL CLAIMS FOR DAMAGES EXCLUDED IN THE ABOVE LIMITATION OF LIABILITY, INCLUDING CLAIMS OF CUSTOMER’S CUSTOMERS, REGARDLESS, AS TO (1) OR (2), OF WHETHER FANUC WAS CONTRIBUTORILY NEGLIGENT OR HAD KNOWLEDGE OF THE POSSIBILITY OF SUCH CLAIMS OR DAMAGES.

13 - TESTING AND SUPPORT - The conditions of any tests, including specification or acceptance testing, shall be mutually agreed upon in writing and FAC shall be notified of, and reserves the right to be present or represented at, all tests that may be conducted. In no case does any remedy or warranty, if any, apply to any failure or nonconformance with a specification caused by or attributable to any associated or complementary product or service not supplied by FAC under this Contract, nor shall any such remedy or warranty in any case apply to the quality of Customer’s own products or Customer’s process of manufacture on which any Deliverable(s) is used.

14 - SERVICE CONTRACTS; SCOPE OF SERVICE - (a) Subject to the terms and conditions of this Contract, when requested by Customer during the Contract Period and subject to FAC - FANUC CNC acceptance, FAC - FANUC CNC agrees to provide service by factory trained technicians to service the Covered Equipment at the Equipment Location specified on the front side hereof (within the continental United States, Canada or Mexico), and provide replacement parts where necessary, which may be new and/or refurbished, to bring the Covered Equipment back to operational condition, excluding consumable parts and except as otherwise excluded under this Contract. A list of consumable and excluded parts is available upon request. Service including telephonic troubleshooting coverage shall be provided during FAC - FANUC CNC’s regular business hours, from 8:30 a.m. to 5:00 p.m. (CST), Monday through Friday, with free access to FAC - FANUC CNC’s telephone CS24 after hours support (as described below) for applicable annual or multi-year service contracts for the Covered Equipment only. Service performed after regular business hours, or on Saturday, Sunday or FAC - FANUC CNC observed holidays, will be invoiced at FAC - FANUC CNC’s applicable published rates. FAC - FANUC CNC cannot guarantee the time of or time to provide any Deliverable(s) including the provision of parts. (b) **For annual or multi-year service contracts:** Reasonable expenses for FAC - FANUC CNC personnel to travel to and from the Equipment Location are provided under this Contract at no additional charge. Reasonable shipping charges for parts replaced under this Contract shall be the responsibility of FAC - FANUC CNC, subject to the terms hereof. At FAC - FANUC CNC’s request and expense, within 30 days Customer shall return to FAC - FANUC CNC any failed part replaced. FAC - FANUC CNC’s obligation to pay for shipping expenses for any part return shall apply only during the Contract Period. In the event a failed part is not returned to FAC - FANUC CNC within such 30 day period, Customer agrees to pay FAC - FANUC CNC the current selling price and shipping charges for the replacement part. In the event Customer requests termination of an annual or multi-year service contract and such termination is approved by FAC - FANUC CNC in writing, only those entire months remaining in the Contract Period after termination will be subject to a refund by FAC - FANUC CNC, subject to FAC - FANUC CNC’s rights of offset for other amounts which may be due from Customer. (c) **For CS24 CNC after-hours phone service contracts:** Members will receive access to CNC telephone troubleshooting support Monday through Friday 5:00 a.m. to 2:30 a.m. and on Saturday from 5:00 a.m. to 7:00 p.m., and on Sunday 7:30 a.m. to 5:00 p.m. (all times, CST). Support will not be available on FAC - FANUC CNC observed holidays, during which times calls received will be routed to voicemail to be returned by FAC - FANUC CNC during coverage hours. Upon request, FAC - FANUC CNC will use reasonable efforts to expedite delivery of in-stock replacement parts, subject to a \$250.00 non-refundable handling fee for parts ordered during non-FAC - FANUC CNC regular business hours. Customer is responsible for payment of all delivery charges, including expedited charges. Service is limited to covered CNC’s. Other terms and conditions may apply; see Contract for details. Due to the inherent limitations of telephone troubleshooting, FAC - FANUC CNC makes no warranty or guaranty concerning the accuracy of any diagnostics or other telephone support. (d) **contract period and renewal -** This Contract shall take effect upon acceptance by FAC - FANUC CNC and shall continue in full force and effect for the Contract Period specified on the front page hereof. This Contract may be renewed only upon the express written consent of, and upon terms agreed to in writing by, FAC - FANUC CNC. (e) **customer responsibilities -** Prior to requesting that FAC - FANUC CNC provide any services, hereunder, Customer shall ensure that the relevant control system and/or other equipment has been properly installed, located and interconnected. Customer shall allocate sufficient time for the provision of Deliverable(s) by FAC - FANUC CNC, and provide FAC - FANUC CNC personnel with prompt and safe access to the Covered Equipment and other equipment. Customer shall be invoiced at FAC - FANUC CNC’s regular rates for any delays caused by Customer’s failure to provide FAC - FANUC CNC proper access to the Covered Equipment and other equipment. Customer shall provide, at its sole expense, standard utilities, machine tool operators and other craft labor and equipment necessary for FAC - FANUC CNC’s performance hereunder. (f) **excluded services -** Notwithstanding the foregoing, for all service contracts, FAC - FANUC CNC shall not be responsible to provide Deliverable(s) under this Contract, and FAC - FANUC CNC will bill Customer for Deliverable(s) provided to Customer at FAC - FANUC CNC’s regular rates and Customer agrees to pay at such rates, where there is a malfunction or shutdown of machinery caused by one or more of the following: 1) A failure or malfunction of other than the Covered Equipment; 2) Customer’s failure to perform appropriate preventative maintenance; 3) Improper operating procedures or misuse or abuse of the Covered Equipment or related machinery; or 4) Unauthorized modifications, alterations or service of the Covered Equipment. Additionally, if replacement parts for the Covered Equipment are no longer manufactured or otherwise reasonably available, FAC - FANUC CNC may offer to repair the part at FAC - FANUC CNC’s facility. In such event, Customer shall be responsible for all shipping and shipping charges (including return) of the part. FAC - FANUC CNC makes no warranty that the Covered Equipment or part can be repaired.

15 - ADDITIONAL TERMS - This Contract may not be assigned by Customer without FAC’s express written consent. This Contract shall be binding upon the successors and legal representatives of Customer. Any information transmitted by Customer to FAC is not to be regarded as proprietary or confidential except as may be otherwise agreed in writing signed by an authorized representative of FAC. The representative of Customer accepting this Contract represents and warrants that he or she has full authority on behalf of Customer to do so.

16 – CANADIAN COMPLIANCE - The parties hereto confirm that they have agreed that this Agreement be drawn up in the English language. Les parties à la présente confirment qu’elles ont convenu que cette convention soit rédigée dans la langue anglaise.

Please reference FANUC America Corporation – FANUC CNC terms and conditions: <http://www.fanucfa.com/us-en/legal/termsandconditions.pdf>

Please reference FANUC America Corporation – FANUC CNC additional warranty information for selected sales and service contracts: <http://www.fanucfa.com/us-en/legal/warranties.pdf>