



TYPICAL QUESTIONS AND ANSWERS

- 1) Corporate structure: AP Tech will become a member of the SMC family, but remain independent as a separate subsidiary retaining the AP Tech identity. The name remains the same. The only reference will be to being a member of SMC family of companies. It is business as usual for AP Tech with no substantive changes planned. Karena and Rene will autonomously run the company. Any changes that may be implemented should be completely transparent to those outside of AP Tech – customer, vendor or distributor.
- 2) Who is SMC? SMC was founded in 1959 and has grown to be a multi billion dollar corporation with operations worldwide. Products range from directional control valves, air line and pneumatic components, actuators, air preparation equipment, hydraulic equipment, industrial filters, vacuum equipment, sensors through UHP Teflon components. SMC is a global supplier with significant market share in competitive, commodity markets. They have diverse, extensive manufacturing and operations capabilities which will be used to help AP Tech be competitive and grow. The adjectives used by most to describe SMC are the very same as used for AP Tech. More information is available about SMC online at www.smcworld.com
- 3) Why sell? There are several reasons. We felt SMC was the right choice to maintain the same values, principles and levels of service that define AP Tech. . We also felt that AP Tech needed to have more of a global presence and we needed an already established partner to achieve such. Also Rene wanted to sell the company while he could still be a part of the transition to assure the company retains the attributes important to him.
- 4) How was the sale handled? AP Tech was not put on the auction block to be sold to the highest bidder. A very selective process was used to find the right company to acquire us. Very few companies were given serious consideration or approached in this process.
- 5) Will AP Tech remain in Napa? SMC purchased the land and building which shows a long term commitment to preserving AP Tech as, and where it is.
- 6) Do SMC and AP Tech have compatible products? There is no overlap between products but there are synergies. For example, AP Tech produces pneumatic valves and SMC produces the pneumatic components that drive them.
- 7) Will the sale affect the current AP Tech Sales approach? There will be no changes in sales paths or philosophies either direct or through distribution.