

LOVATO ELECTRIC INC.

Terms and Conditions of Sale in the U.S.A.

The following terms and conditions of sale are subject to change.

1. **GENERAL:** These terms and conditions of sale apply to all sales of Lovato Electric, Inc (Seller), unless modified in writing by Seller. Seller expressly rejects any other terms and conditions as may be proposed by the Purchaser. A contract upon the conditions and terms herein (including terms of identification of products, quantity, shipping and billing) shall be deemed to have been entered into when, on receipt of an order, Seller acknowledges acceptance in writing. All sales are governed by and subject to the laws of the Commonwealth of Virginia without regard to its conflicts of laws provisions.
2. **TECHNICAL INFORMATION:** Documents such as catalogs, drawings, and specifications related to products sold by the Seller are to be used only as an approximate guide and may not reflect latest designs or accurate technical details of products. Seller reserves the right to make any changes in its products that it considers necessary in its sole discretion.
3. **PRICES AND QUOTATIONS:** Prices are subject to change without notice. Written or verbal quotations are valid for 30 days.
4. **TERMS OF PAYMENT:** Terms of payment are Net thirty (30) days from date of invoice with approved credit as determined by Seller. Seller retains exclusive right to determine credit worthiness of Purchaser. Payments shall be made in U.S. currency to address of Seller without any deductions of any kind. Unpaid accounts may result in interruption of supply. In addition, interest may accrue at the rate of 1 1/2% per month on unpaid balances but not to exceed the maximum permitted by law.
5. **DELIVERY:** Delivery terms are FCA, Free Carrier (INCOTERMS 2000) Seller's facility, Chesapeake, Virginia with respect to shipping costs, risk of loss and title transfer. Seller will not be liable for any loss, damage or delay arising out of its failure to perform hereunder due to causes beyond its reasonable control, including without limitation, acts of God or the Purchaser, acts of civil or military authority, fires, strikes, floods, epidemics, quarantine restrictions, war, riots, raw materials shortages, delays in transportation, or transportation embargoes. In the event of any such delay, Seller's performance date(s) will be extended for that length of time as may be reasonably necessary to compensate for the delay.
6. **SHIPPING TIMES:** Acknowledged dates of delivery in accordance with Paragraph 5 are approximate and are based on receipt of all necessary information, required materials to complete the order, are dependent on prevailing conditions at the time of quotation, and are not guaranteed.
7. **LIMITED WARRANTY:** Seller warrants for a period of one (1) year from delivery in accordance with Paragraph 5, that product manufactured by it will be free from defects solely due to material, workmanship and design. This warranty does not cover defects caused by wear and tear, accident, misuse, improper installation, or neglect, as determined solely by Seller. Warranty shall be limited to Seller's option of repair or replacement at Seller's facility. With respect to equipment sold but not manufactured by Seller, the warranty obligations of Seller shall in all respects conform and be limited to the warranty actually extended to Seller by the manufacturer. The foregoing warranties do not cover reimbursement for labor, transportation, removal, installation or other expenses which may be incurred in connection with repair or replacement. THESE WARRANTIES ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES WHETHER EXPRESSED, IMPLIED OR STATUTORY, INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR PERFORMANCE OR APPLICATION WARRANTIES.
8. **EXCLUSION OF DAMAGES:** IN NO EVENT WILL SELLER BE LIABLE FOR INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY, OR CONSEQUENTIAL DAMAGES, OR ANY OTHER PECUNIARY OR OTHER LOSS WHATSOEVER OF ANY KIND ARISING OUT OF OR IN ANY WAY CONNECTED WITH PRODUCTS SOLD BY IT. SELLER'S MAXIMUM CUMULATIVE LIABILITY IS PURSUANT ONLY TO PARAGRAPH 7 AND WILL NOT EXCEED THE COST OF THE PRODUCTS SUBJECT TO WARRANTY. THESE LIMITATIONS AND EXCLUSIONS REGARDING DAMAGES APPLY EVEN IF ANY REMEDY FAILS.
9. **RETURNS:** All returns of Products must be approved in writing by Seller prior to return. Non-warranty returns of unused and salable Products for credit will be subject to Seller's return policies in effect at the time, including applicable restocking charges and other conditions of return. Products returned under warranty must be properly packed and shipped to Seller-specified locations.
10. **CANCELLATIONS:** Any order or partial order cancelled or suspended by Purchaser is subject to express written consent of Seller. Seller may impose and Purchaser hereby agrees to pay reasonable cancellation charges which reflect costs up to the time of cancellation or suspension.
11. **GOVERNMENT REGULATIONS:** No government contract regulations or clauses will apply to the Products or this agreement or act to bind Seller unless specifically agreed to by Seller in writing. Products sold hereunder are not intended to be used, nor should they be used, in any nuclear-related application either as a "Basic Component" under 10 CFR 21 (United States NRC) or otherwise under similar nuclear laws and regulations of this or any other country.